

Important Notice

This Information Memorandum ("Memorandum") has been prepared for the purposes of determination of the Spectrum Utilization Fees. In this context, it provides details on the method of determining the Spectrum Utilization Fees and other elements of the regulatory framework applying to the licensing exercise. Terms and expressions used in this Important Notice are as defined in Appendix C of the Memorandum.

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The Memorandum is also available on the OFTA website (www.ofta.gov.hk). In the event of any discrepancy between the electronic and printed versions, the printed version is definitive.

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Hong Kong
Third Generation Mobile Services Licensing
Information Memorandum

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1 INTRODUCTION

This Memorandum provides details on the policy background and process for auction of radiocommunications spectrum and the grant of licences to which that spectrum relates (the “Licences”) in the 1.9 - 2.2 GHz band to be used for services using third-generation mobile telecommunications (“3G”) services. Potential Bidders for a Licence should note:

- four Licences will be auctioned, each of 2 x 14.8 MHz (paired) plus 1 x 5 MHz (unpaired);
- pre-qualification will be a relatively light process, consisting principally of submission of a deposit of HK\$250 million, certification of ability to meet the conditions of the Licences and provision of shareholding information;
- bidding in the Auction will be primarily based on royalties, backed by minimum annual payments. Licensees will need to maintain in force a rolling performance bond covering the next five years’ minimum payments or those for payable during the remaining period of the Licence if it is less than five years;
- Licensees will be required to implement an Open Network Access framework, in which they must make available up to 30% of the capacity of their Networks for use by non-affiliated service providers;
- Licensees will also be required to implement mobile number portability from launch of their services; and
- New Entrants (Licensees which do not possess a 2G Licence, or are not related to a 2G Operator) to the Hong Kong mobile telecommunications market will be able to roam onto the 2G networks of existing 2G Operators who obtain Licences. This right will last for 5 years following licensing.

No additional licences for cellular radiocommunications will be made available until 2005 at the earliest.

The Memorandum provides further details of these and other issues. The rules of the Auction are summarised in Section 5, but for full details Bidders should refer to the Notice, attached at Appendix H.

1.1 Policy background

On 21 March 2000, the Telecommunications Authority (“TA”) issued the first industry consultation paper on the licensing framework for spectrum in the 1.9 - 2.2 GHz range for mobile telecommunications services, expected to be used for 3G, seeking comments from the industry. After reviewing and analysing the submissions from the industry and considering information from further discussion on the latest developments in the market, the TA issued a second industry consultation paper on 3 October 2000. This paper analysed and summarised the submissions received, and made further proposals on a number of licensing and regulatory issues. The Licensee selection process proposed will be based on an auction exercise, to be preceded by a round of pre-

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qualification. A number of options were proposed for consultation including a cash auction (with upfront or deferred payment) and a royalty auction with minimum guaranteed payment. The TA proposed to introduce an “open network access” (“ONA”) requirement as part of the Licensee’s obligations under the Licences.

Further consultation was conducted by the TA on the “ONA” requirement at an industry workshop held on 5 January 2001.

On 13 February 2001, the Government announced the proposed licensing framework for 3G, together with several important aspects of the regulatory framework.

Under the chosen framework, there will be a light pre-qualification exercise followed by an auction of the spectrum. The pre-qualification exercise is intended to ensure the quality of the Bidders and Network roll-out. The Spectrum Utilization Fees to be paid by the Licensees will be based on the bidding of a Royalty Percentage subject to certain minimum payments over the Licence period of 15 years. A spectrum auction will allocate the spectrum in a fair and efficient manner, and a royalty-based auction will encourage entry to the market and alleviate the financial burden on the Licensees in light of current market conditions.

The framework meets the following policy objectives:

- to promote development of the telecommunications industry;
- to protect consumers’ interests; and
- to maximise benefits to the economy as a whole and to consumers.

In drawing up the auction design, the Government has the following overall objectives:

- to enhance/preserve market competition;
- to minimise market distortion;
- to adopt a market-driven approach to allocate the frequency bands efficiently;
- to minimise unnecessary financial burden and risk to the successful Bidders;
- to promote entry to the bidding process; and
- to minimise the opportunity for collusion.

In March 2001, the TA conducted further consultation on the rules on “Connected Bidders” and issued a TA statement in response to the consultation on 25 May 2001. The rules on Connected Bidders now included in the Notice, and summarised in the Memorandum, were drawn up after considering views received during the consultation.

1.2 Application instructions, enquiries and further information

The Application Dates are 17 September 2001 and 18 September 2001. Detailed application instructions are contained in the Application Form, attached at Appendix 1 of the Notice. Section 7 provides information on making enquiries or obtaining further information on the allocation process and the wider licensing framework.

Bidders should note in particular the confidentiality requirements that apply under the Activity Rules set out in Part 6, Section 5 of the Notice and should ensure their compliance with these provisions.

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2.1 Spectrum issues

2.1.1 Technology-neutrality

The TA continues to adopt a technology-neutral approach in the current licensing exercise. It is open to prospective operators to use any IMT-2000 standard that has been adopted by the ITU provided that the standard is compatible with the band plans in Hong Kong for the Frequency. Indeed, the spectrum being licensed may be used for services other than 3G (for instance, any future upgrade of 3G or other advanced mobile services), provided that the standard used is open, non-proprietary and that there is sufficient choice of equipment available in the market for consumers.

2.1.2 Availability of spectrum for mobile telecommunications

2.1.2.1 Current intention of the Government regarding new mobile licences

In this licensing exercise, the Government is offering four Licences. Each Licensee will be assigned one block of paired spectrum of 2 x 14.8 MHz together with one 5 MHz block of unpaired spectrum. The exact frequency limits of these blocks are given in an order made by the TA under section 32I(1) of the Ordinance, and are reproduced below:

Table 2.1: Frequency limits of spectrum

Band	Paired Spectrum (MHz)		Unpaired Spectrum (MHz)
	Lower block	Upper block	
A	1920.3 – 1935.1 (14.8 MHz)	2110.3 – 2125.1 (14.8 MHz)	1914.9 – 1919.9 (5 MHz)
B	1935.1 – 1949.9 (14.8 MHz)	2125.1 – 2139.9 (14.8 MHz)	1904.9 – 1909.9 (5 MHz)
C	1950.1 – 1964.9 (14.8 MHz)	2140.1 – 2154.9 (14.8 MHz)	1909.9 – 1914.9 (5 MHz)
D	1964.9 – 1979.7 (14.8 MHz)	2154.9 – 2169.7 (14.8 MHz)	2019.7 – 2024.7 (5 MHz)

In Hong Kong, the band 1895.0 - 1906.1 MHz has been allocated for private cordless telephones conforming to the Personal Handy-phone System (PHS) standards. There is as yet no definite date for phasing out

such use.¹ The unpaired channel for Band B therefore has 1.2 MHz of overlap with the PHS band.

Subject to Section 2.1.2.4, the Government does not intend to offer additional Mobile Network Licences to the market before 2005.

The current licensing exercise may not be able to allocate all four Licences on offer. In this case, the TA will generally not offer unallocated Licences to the market before 2005. However if, after four prospective Licensees have been selected in this licensing exercise, one or more of the Licences are not ultimately granted, the TA reserves the right to offer such Licences to the market before 2005. Likewise, if a Licence that has been granted to a successful Bidder is subsequently cancelled or withdrawn, the TA reserves the right to offer such Licence to the market before 2005.

The ITU has designated additional spectrum in the 2.5 GHz band (2.50 - 2.69 GHz band) for 3G. The 2.5 GHz band is currently allocated to a number of users in Hong Kong for other telecommunications use. The TA is examining re-allocation of this spectrum and expects that such spectrum will not be available for mobile services before 2005. Separate consultation on the terms and conditions for use of this spectrum for mobile services may be conducted in due course. This consultation will address the question as to whether the 2.5 GHz band should be assigned to Licensees licensed in this exercise, or used for granting additional Mobile Network Licences.

2.1.2.2 Refarming and extension of existing mobile licences

The 800/900 MHz and 1.7 - 1.9 GHz bands are currently being used by existing 2G Operators. Under the technology-neutral regime adopted by the TA, the existing 2G Operators are free to use any technology, regardless of whether it is 2G or 3G, in the spectrum under their 2G Licences. In line with this regime, existing 2G Operators will be allowed to re-farm the spectrum for 3G, if they so wish, under the current terms and conditions of their existing 2G Licences for the remaining period of validity.

Five existing 2G Licences for systems operating in the 800/900 MHz bands will expire between July 2002 and January 2003. The TA has the discretion to extend these 2G Licences for a period of up to three years. The TA has announced his intention to exercise his discretion, extending these 2G Licences for three years up to a date between July 2005 and January 2006.

This will bring the expiry dates of the extended 2G Licences close to the expiry dates of the six existing 2G Licences for systems operating in the 1.7 - 1.9 GHz bands. The TA will conduct an industry consultation around 2004/2005 on future arrangements for the allocation of all the 2G Licences after their expiry.

¹ The proposal to phase out PHS was discussed in the Radio Spectrum Advisory Committee, an Advisory Committee under the auspices of OFTA, at its meeting on 22 February 2001.

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2.1.2.3 Additional spectrum for existing mobile licences

At present, a limited amount of unused spectrum exists in the bands allocated to public mobile services in the 800/900 MHz and 1.7 - 1.9 GHz bands (about 5 MHz (paired)² in the 800/900 MHz band and about 10 MHz (paired) in the 1.7 - 1.9 GHz band). The TA may consider assigning such spectrum to existing 2G Operators in the near future to cope with market demand, particularly for the operation of higher speed services such as 2.5G. The TA will consult the industry before deciding on the terms and conditions for such additional assignment.

2.1.2.4 Other wireless systems for public telecommunications services

Nothing in Section 2.1.2.1 should be interpreted as a restriction on the Government from issuing additional licences for public mobile services other than those based on terrestrial cellular communications technologies.

For example, the Government may license additional public mobile services based on paging, trunked radio or satellite technologies.

The Government also intends to license, before or after 2005, the provision of public mobile services using low powered wireless local area network technologies such as Bluetooth, IEEE 802.11b, etc. operating in shared frequency bands. The exact form of licensing has yet to be decided. These services may be licensed under Public Non-Exclusive Telecommunications Service Licences or class licences.

2.2 Open Network Access

2.2.1 Policy background

Special Condition 12 of the Licence, which implements the Open Network Access (“ONA”) policy, aims to meet the following objectives:

- to introduce greater competition at the content, application and service level;
- to enable small and medium sized content or service providers to provide more innovative content, applications and services; and
- to enable parties who do not have the resources to bid for, or who have failed to obtain, a Licence the opportunity to participate in the 3G market.

The TA consulted the telecommunications industry in October 2000 on ONA and held an industry workshop in January 2001. In arriving at the policies set out below, the TA has considered the views put forward in the responses received.

The TA has decided to require Licensees to open up 30% of their networks to non-affiliated service providers (“NSP”). This is referred to as the “Mandatory Openness Criterion” or “MOC”. The aim is to ensure

² About 2.5 MHz (paired) in the 825 - 890 MHz band for systems based on the digital cellular standards in North America and about 2.5 MHz (paired) in the 890 - 960 MHz band for the European GSM 900 standards.

competition at the content, application and service level whilst preserving sufficient investment incentives for Licensees to build and roll out networks using the spectrum allocated to them under the Licences (“Networks”).

2.2.2 Framework

The terms of the Licences require that Licensees should provide access to their Networks to two categories of NSP, namely non-affiliated mobile virtual network operators (“MVNOs”) and non-affiliated content or service providers (“CSPs”). The terms envisage a two-tier framework set out below which aims to promote access by these NSPs.

2.2.3 ONA requirements

The precise terms of access under Special Condition 12 cannot be determined at the moment, as the services and Networks are not yet in operation. This Section therefore summarises Special Condition 12 and the TA’s current thinking regarding its application.

- Each Licensee is required to open 30% of its Network Capacity to NSPs and must provide access up to this threshold on a non-discriminatory basis:
 - NSPs should have access to the same transmission and supporting capabilities (e.g. data rates, bearer attributes and intelligent network functionality) as the host mobile network operator (“MNO”) has available to serve its own customers.
 - Traffic associated with the NSPs is to be treated on a non-discriminatory basis compared to that of the Licensee, or its affiliated NSPs that use the Network, as the case may be, in all respects unless otherwise agreed between the parties concerned.
- Licensees do not have any obligation under the ONA framework to provide access to their Networks if the relevant MVNO or CSP is affiliated (see Section 2.2.5) with the Licensee or with any other Licensee.
- Licensees must provide (either themselves or through contractors) sufficient elements of the Network, including the radio access network and core network, together with necessary supporting infrastructure and functionality (e.g. intelligent network capability) to deliver the services (as defined in Special Condition 12). Licensees must not organise their businesses or configure their networks in such a way as to avoid their obligations under Special Condition 12.
- Servicing all customers via an MVNO controlling, controlled by, or under common control with, the Licensee and denying CSPs the ability to access those customers will be considered to be deliberate evasion of the obligations under Special Condition 12 to provide

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access to CSPs, and provide the Licensee's customers with the ability to access CSPs.

- The Licensee must develop a methodology for establishing its Network Capacity and the utilisation of the network by NSPs. This methodology may be modified by the TA. For guidance, the TA has developed a set of basic principles and any such methodology will normally be expected to be in accordance with these principles. The basic principles are set out at Section 2.2.9.1. In the event that the TA is not satisfied with any proposed methodology, the TA's current intention is to use the detailed measurement method set out at Appendix D.
- Once a Licensee has met the MOC, it has no further obligation, at that point in time, under Special Condition 12 (although it may nevertheless be under an obligation under General Condition 5 (Provision of service) or Special Conditions 6 (Requirements for interconnection), 14 (Tariffs) and 18 (Provision of tariffed service) to provide access to NSPs, or to provide additional capacity for NSPs already connected). But the Licensee can always negotiate commercial terms with NSPs beyond the MOC.
- If the Licensee subsequently increases its Network Capacity, it would have to meet any additional requests for capacity until the MOC is met for any increased Network Capacity.
- The regulatory regime surrounding the ONA framework is intended to be relatively light. Ordinarily, the TA will only intervene to resolve disputes and Licensees will only be required to report measurements of usage of the Network in the event of a dispute over access.
- Licensees will be required to separate their accounts between network and service provision. Further details of this provision are given at Section 4.7.
- Licensees must publish a wholesale tariff or tariffs (including relevant terms relating to the quantity and type of access) for the service available to CSPs. In setting such tariffs, the Licensee must not discriminate between its affiliated and non-affiliated CSPs.
- Licensees must publish a reference MVNO Network Capacity Agreement.
- Licensees must lodge with the TA copies of all Network Capacity Agreements entered into with NSPs, unless the TA waives this requirement.
- Customers of MVNOs connected to a Licensee's network will have no mandatory right of access to a Licensee's content, applications or services.
- Customers of a Licensee will have no mandatory right of access to any given MVNO's content, applications or services.

- Licensees must not create a “walled garden” that prevents or hinders their customers from accessing the content, applications and services of CSPs. Customers of a Licensee shall therefore have access, on a non-discriminatory basis in terms of access procedure, performance and other relevant attributes, to the content, applications and services of non-affiliated and affiliated CSPs.

2.2.4 Forms of NSP

The following Sections set out more detailed criteria that a party wishing to be an NSP must satisfy in order to qualify for regulatory intervention by the TA, and for the capacity taken up or reserved to count towards the MOC. Other configurations of service providers may negotiate access with the Licensees on a bilateral basis, but in such cases these arrangements must be concluded on a commercial basis and the capacity taken up or reserved will not count towards the MOC.

2.2.4.1 MVNO

An MVNO is an operator providing mobile services to subscribers through access to, and interconnection with, the radio access network and, where the MVNO so requires, the core network or part of it, operated by a Licensee. In the market, an MVNO competes at the same level as the service provision arm of a Licensee but without its own allocation of spectrum and its own radio access network. It is anticipated that a variety of MVNOs may exist, establishing for themselves various levels of the host Licensee’s infrastructure.

Special Condition 12 applies to certain MVNOs which are not affiliated with the Licensee or any other Licensee (“non-affiliated MVNO”) and who satisfy certain minimum infrastructure requirements to be laid down by the TA. These MVNOs are expected to establish for themselves a large part of the infrastructure of an MNO (excluding the radio access network) and it is expected that they will need to satisfy the following minimum requirements:

- provide, or intend to provide, mobile services to a customer base, including the general public;
- provide its own mobile switching and gateway infrastructure, for circuit and/or packet switched traffic;
- enter into its own interconnection and roaming agreements;
- provide its own business support systems, such as billing and customer care;
- maintain its own Home Location Register of subscribers (or equivalent functionality);
- satisfy requirements for call control, as required by the TA and normally associated with an operator (such as emergency calls, number portability etc.); and
- issue its own SIM cards.

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An MVNO that is entitled to interconnection or access under Special Condition 12 will be:

- allocated a unique Mobile Network Code by the TA (subject to sufficient availability); and
- allocated blocks of subscriber numbers by the TA.

To serve as a starting point for negotiations, Licensees will be required to publish a reference contract for interconnection with MVNOs.

If an operator does not meet the minimum criteria set by the TA for qualification as an MVNO for the purposes of the Special Condition, the arrangements concerning their access to or interconnection with the Licensee would need to be reached on a commercial basis. Special Condition 12 will not apply to such operators and any Network Capacity that might be taken up or reserved for them would not count towards the MOC.

As well as operating a significant amount of telecommunications infrastructure, the MVNO is expected to enter into an agreement to commit to acquire a minimum amount of Network Capacity (in terms of airtime used or volume of data sent) from the Licensee over a specified period of time.

2.2.4.2 Content or Service Providers

A CSP provides content, applications and services to a range of customers. These customers will primarily receive their billing for information received or services obtained from their CSP, which may be bundled with the telecommunications charges for the airtime used or volume of data sent. The CSP can choose to subsidise or pay for the airtime used, or volume of data sent, by its customers when they contact the CSP, as well as when the CSP contacts the customer.

Customers of the Licensee will have a right of access to any CSP connected with the Licensee's Network, affiliated or non-affiliated, on a non-discriminatory basis. All Licensees must therefore make available to CSPs the appropriate access and network resources so that these CSPs are able to provide content, applications and services to their customers. Under the published tariffs of the Licensees, a non-affiliated CSP may be required to enter into an agreement to buy a minimum amount of Network Capacity (in terms of the airtime used or volume of data sent) from the Licensee over a specified period of time. Licensees will be required to publish their wholesale tariffs for various capacity options for access to their Networks by non-affiliated CSPs.

Licensees must treat the traffic of non-affiliated CSPs of a certain class or type on a non-discriminatory basis compared with CSPs of the same class or type that are affiliated with the Licensee.

The capacity taken up by or reserved for a CSP, provided the CSP is not affiliated to the Licensee, will count towards the MOC.

A Licensee must provide access to a non-affiliated CSP irrespective of whether the non-affiliated CSP has access to other Licensees' Networks.

CSPs may have access to the capacity of an MVNO, which is not affiliated to an MNO, on a commercial basis. The TA does not expect to intervene in the conclusion of such access agreements between CSPs and MVNOs.

2.2.5 Definition of “Non-affiliated”

For the purpose of defining “non-affiliated”, an MVNO or CSP is regarded as “affiliated” with a Licensee or another MNO if:

- a) the Licensee or the other MNO is the beneficial owner or has control, directly or indirectly, of 15% or more of the voting shares of the relevant MVNO or CSP or has influence over the relevant MVNO or CSP such that it is, in the opinion of the Authority, for all practical purposes, in an equivalent position as it would have been had it been the beneficial owner or had control of 15% or more of the voting shares of the relevant MVNO or CSP; or
- b) the relevant MVNO or CSP is the beneficial owner or has control, directly or indirectly, of 15% or more of the voting shares of the Licensee or the other MNO or has influence over the Licensee or the other MNO such that it is, in the opinion of the Authority, for all practical purposes, in an equivalent position as it would have been had it been the beneficial owner or had control of 15% or more of the voting shares of the Licensee or the other MNO; or
- c) a person (other than the Licensee or the other MNO or the relevant MVNO or CSP) is the beneficial owner or has control, directly or indirectly, of 15% or more of the voting shares in each of the Licensee or the other MNO and the relevant MVNO or CSP or has influence over each of the Licensee or the other MNO and the relevant MVNO or CSP such that it is, in the opinion of the Authority, for all practical purposes, in an equivalent position as it would have been had it been the beneficial owner or had control of 15% or more of the voting shares of each of the Licensee or the other MNO and the relevant MVNO or CSP.

2.2.6 Intervention by the TA

2.2.6.1 MVNO

Powers of intervention

With respect to an MVNO, the TA’s power of intervention will be based on the:

- a) ONA special condition (Special Condition 12) in the Licence; and
- b) powers under section 36A of the Ordinance;

to determine the terms and conditions of interconnection, including any technical, commercial or financial or other terms of the interconnection agreement.

In the event that a non-affiliated MVNO and a Licensee cannot agree with each other on the terms of interconnection, either of them may call upon

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the TA to intervene in the dispute and to determine the terms of interconnection. If an MVNO makes a request for a determination under Special Condition 12, the TA is unlikely to intervene if:

- a) the MVNO is affiliated to the Licensee or to any other 3G Licensee;
- b) the MVNO already has access to Network Capacity of any other Licensee's Network equivalent to 30% or more of the Network Capacity of the Network to which the MVNO is seeking access. If the TA receives a request for access to a Network from an MVNO that already has access to another Network, the TA will take into account the extent to which the MVNO already benefits from the ONA framework and such other factors as he may consider relevant such as the market position of the MVNO;
- c) the MVNO does not satisfy the minimum infrastructure requirements set out in Section 2.2.4.1 above; or
- d) the relevant Licensee has reached the MOC.

MVNOs may also request a determination from the TA under section 36A of the Ordinance, notwithstanding that the conditions for determination set out above might be satisfied. However, in such cases the TA:

- a) has discretion as to whether to intervene;
- b) is likely to take into account:
 - i) the extent to which the applicant already benefits from the ONA framework;
 - ii) the extent to which the relevant Licensee is satisfying its obligation under the ONA framework; and
- c) is unlikely to use the same charging principles as under Special Condition 12 when making any determination.

None of the above should be interpreted as fettering the TA's discretion in any way concerning whether or not the TA may make a determination, or the terms of any determination that may be made.

It is currently intended, for the duration of the existing 2G Licences, that the TA's intervention under Special Condition 12 will not include access to 2G radio access networks.

Terms of intervention

When making a determination, the TA may, upon request, or in his discretion, determine one or more of the following terms of interconnection between a Licensee and an MVNO:

- cost-plus charges based on Long Run Average Incremental Cost ("LRAIC") which includes an appropriate cost of capital to be determined by the TA. LRAIC is defined as the change in total cost to the Licensee, determined on a long-run basis, that would occur as a result of the provision of the service concerned divided by the total quantity of the service provided so as to give the increment cost per unit of service provided;

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- LRAIC includes all variable costs and fixed costs which are directly attributable or related to the provision of the service in question (in other words, which would be avoided if the service in question were not provided) and is calculated by reference to forward looking costs;
- LRAIC also includes an appropriate cost of capital commensurate with the risk of investment in a mobile network. To provide some degree of certainty to Licensees in the initial stages of investment in Networks, the TA is currently minded to allow a cost of capital in the order of 20% for the first three years of the Licences. A review of this value will be conducted in due course after the initial period;
- LRAIC will not include indirect fixed costs unless incremental to the service concerned. Capital costs for the investment in the Network necessary for the provision of the service to NSPs will be included as the long-run incremental cost is determined over the project period; and
- LRAIC will include an element of variable cost reflecting the Spectrum Utilization Fees payable from time to time by the Licensee;
- it is expected that the minimum length of the contract will be three years during which the MVNO will be committed to purchasing a minimum traffic volume (in terms of airtime used or volume of data sent);
- terms to ensure that non-discriminatory access is provided to the MVNO; and
- a mechanism to allow access to additional capacity as the Licensee expands its Network. As a Licensee expands its Network Capacity, the capacity accessible by non-affiliated MVNOs will be correspondingly increased to 30% of the expanded network capacity.

The TA will follow the procedure as stipulated in the revised “Procedures for Making Determinations on the Terms and Conditions of Interconnection Agreements” after its finalisation. The procedure will include the likely timing for making determinations. The consultation paper on this procedure was issued on 23 March 2001, a copy of which is available on the OFTA website. The TA expects to publish a revised procedure in the near future.

2.2.6.2 CSPs

Powers of intervention

If a CSP is a telecommunications licensee, it may make a request for determination under section 36A of the Ordinance, on the terms of interconnection with the Licensee.

If a CSP is not a telecommunications licensee, but only provides non-telecommunications content, applications or services, it shall be entitled to

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obtain Network Capacity under Special Condition 12 at published tariffs pursuant to Special Conditions 14 (Tariffs) and 18 (Provision of tariffed service).

Terms of intervention

Under Special Conditions 14 and 18, the Licensee is required to provide services to CSPs at published tariffs. The relevant “tariff” must include appropriate supporting terms such as quantity, duration of service agreement, quality of service and service characteristics.

The TA expects that Licensees and CSPs will reach agreement on the terms of access, based on the published tariffs, without the need for intervention from the TA. However, in the event that agreement to provide access is not reached, the TA may intervene if he receives a request, or if he decides in his absolute discretion to do so.

In deciding upon the terms of intervention, the TA would first compare the published CSP tariffs with charges for corresponding services imposed on the Licensee’s own affiliated service providers so as to ensure that the Licensee is not discriminating against the non-affiliated CSP. If no such discrimination exists, but the published tariffs for the non-affiliated CSP are nevertheless considered to be unfair or anti-competitive (due to, for example, excessive prices for the use of the network so as to “squeeze the margin” of the service provider), the TA may review and set the tariff applicable to non-affiliated CSPs by reference to the lower of the charges determined on a cost-plus or retail-minus basis.

The cost basis to be applied in setting a tariff will be set out in guidelines to be issued by the TA in due course. The current approach for regulated published tariffs is that the TA applies a tariff based on fully distributed cost (“FDC”). FDC allocates all costs across services offered by the Licensee. These costs include all historic variable, fixed and common costs of the services offered and common (overhead) costs incurred by the Licensee.

The TA will not intervene to provide ONA for a CSP affiliated to another Licensee.

If required to make a determination, the TA may, in his determination, impose the following terms and conditions between non-affiliated CSPs and a Licensee:

- the tariff to be charged by the Licensee; and
- the commitments required in the contract.

For the avoidance of doubt, where a CSP has access to the capacity of an MVNO network, the capacity provided by the MVNO to the CSP will not be separately counted towards a Licensee’s MOC (the capacity taken up by or reserved for the MVNO will be counted) as this would lead to double counting.

2.2.7 Penalties for failure to comply with the TA’s ONA determination

Penalties for failing to comply with a determination are equivalent to those which will apply for a breach of licence condition as set out in the Ordinance. The TA may issue a direction under section 36B of the Ordinance to the Licensee concerned, requiring it to comply with the terms of the determination. The TA may also impose financial penalties or other sanctions under section 36C of the Ordinance. For more serious breaches, the TA may also consider suspension, cancellation or withdrawal of Licence under section 34 of the Ordinance.

2.2.8 NSP licensing procedures

Depending on the services the NSP is proposing to offer, it may require licensing under the Ordinance if it establishes or maintains a means of telecommunications and provides public telecommunications services under the Ordinance.

2.2.8.1 MVNOs

The TA will require MVNOs to apply for a public non-exclusive telecommunications service (“PNETS”) licence for the establishment and maintenance of the MVNO telecommunications infrastructure and to provide telecommunications services. A draft of the proposed PNETS licence for MVNOs will be available on the OFTA website in due course.

2.2.8.2 CSPs

In general, a content provider who disseminates content or information of its own to the public or its customers using another party’s telecommunications network is not considered as providing a public telecommunications service and does not need a telecommunications licence under the Ordinance. If an audio and video service transmitted over a network is provided over an internet platform, such content will not be regarded as a television programme service³ and the provider does not therefore need a licence under the Broadcasting Ordinance (Cap. 562 of the laws of Hong Kong). The content may, however, be subject to control under various legislation such as the Control of Obscene and Indecent Articles Ordinance (Cap. 390 of the laws of Hong Kong).

A service provider who provides a public telecommunications service needs to obtain a licence from the TA under the Ordinance. The form of licence will depend on whether a means of telecommunications is established or maintained by such a service provider. If such means of telecommunications are established or maintained, the appropriate form of licence will be a PNETS licence. If no means of telecommunications is established or maintained in the provision of public telecommunications

³ Schedule 3 to the Broadcasting Ordinance provides a list of services not to be regarded as television programme services. If a CSP’s services fall within “television programme service” as defined under section 2(1) of the Broadcasting Ordinance, the CSP will need to obtain the appropriate licence under the Broadcasting Ordinance. The Broadcasting Ordinance is administered by the Broadcasting Authority.

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services, the service provider will nevertheless need to be licensed under a class licence to be created.⁴

2.2.9 Measurement methodology

The basic principles that the TA would apply if amending or determining a measurement methodology are given below. The TA would expect that these principles would be followed, or not deviated from significantly, by Licensees when determining their own measurement methodologies. In all cases the burden of proof in establishing the validity of any variation or alternative methodology will rest with the Licensee. The acceptability of alternative measurement methods will be at the absolute discretion of the TA.

In the event that the TA and the Licensee are unable to agree on the methodology to be employed, the detailed measurement method described in Appendix D will be adopted.

2.2.9.1 Basic principles

The basic principles are:

- a) Network Capacity will be determined as the sum of the capacities of the installed base station equipment plus the extra capacity that can reasonably be deployed in a short period of time. In the case of a new request for access by an NSP, this would be the period prior to the proposed commencement of service by the NSP. ‘Extra Network Capacity’ means any short term increase in capacity that can be readily achieved, during the lead time from the request by the NSP for access to the proposed commencement date of its utilisation of such capacity, through the addition or reconfiguration of base station equipment but excludes the deployment of additional carriers or base station sites.
 - The TA recognises that many factors can restrict the possible increase in Network Capacity. For example, space restrictions at a specific site or equipment limitations elsewhere in the network. In special circumstances, and at the absolute discretion of the TA, the TA may agree to longer lead times for the estimation of Extra Network Capacity for individual sectors or base stations.
 - For the avoidance of doubt, the identification of Extra Network Capacity does not imply an obligation on a Licensee to implement such Extra Network Capacity if it is not necessary to comply with the Licensee’s obligations under Special Condition 12.
 - The capacity of a base station will be expressed in terms of the net user traffic throughput. This is the capacity available after

⁴ Under section 8(1)(aa) of the Telecommunications Ordinance, a person who offers in the course of business a telecommunications service will need to get a licence from TA before it can operate its business. Section 8(1)(aa) has not yet been brought into force. When the section is in effect, TA may consider creating a class licence to cover such operation under section 7B of the Telecommunications Ordinance. The TA will consult the industry before creation of the class licence.

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allowance is made for signalling, soft handover and other overheads specifically required to support the transfer of information across the air interface. The effect of inter-cell interference is to be allowed for where this is a limiting factor.

- Circuit switched capacity will be expressed as an equivalent data volume that can be carried over a defined period calculated from the bit rate and call duration.
- b) The occupancy of the Network by NSPs will be calculated from the traffic that the NSPs are contractually committed to purchase from the Licensee or from the actual occupancy of the Network by NSP, where it can be measured and is greater than the contractually committed occupancy.
- c) Recognising that the traffic during the Network's busy period defines the required infrastructure investment in the Network and that the overall utilisation of the Network is low if averaged over the entire day, the occupancy of the Network by NSPs is to be determined during the Network's busy period. The Network's busy period is to be determined by the Licensee to the satisfaction of the TA.
- d) Parts of a Network may have a low utilisation even during busy periods, and to include the capacity of such parts in the calculation of Network Capacity may result in an unduly low estimate of NSP occupancy. Similarly, calculation of NSP occupancy over limited areas of the Network may result in an unrepresentative measure of openness. Licensees and NSPs may therefore propose areas of the Network over which occupancy of the Network by NSPs should be calculated. The proposed areas will require the agreement of the TA and should represent the busier areas of the Network.
 - i) In determining the acceptability of any such proposal the TA will take into account the distribution of both NSP and Licensee traffic.
 - ii) Networks and traffic distributions will change over time. Therefore, the use of an area for one determination shall not preclude the use of a different area in any subsequent determination.
- e) The total occupancy of the Network by NSPs is to be determined separately in both the uplink and downlink directions. The larger of the two will be used to determine the percentage of Network Capacity occupied by NSP traffic.
- f) When calculating the percentage of Network Capacity occupied by NSP traffic, the Network Capacity may be reduced by an amount to allow for traffic fluctuations required to ensure an adequate quality of service.
- g) The MOC is specified as a percentage of the Licensee's Network Capacity (30%). Therefore, whenever overall Network Capacity is

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increased, the absolute capacity corresponding to the MOC also increases.

- h) For the avoidance of doubt, a determination that one area of a Network has met the MOC does not preclude an NSP from requesting access to another part of the Network under the provisions of ONA. However, such an NSP would not have a right of access to those parts of the Network in which the MOC had already been met.
- i) An NSP is to have access to the same bit rates and bearer attributes as the Licensee has available to serve its own subscribers. Traffic associated with NSPs is to be treated equally to that of the Licensee in all respects unless otherwise agreed between the parties concerned.

2.3 Domestic Roaming

2.3.1 Access to 2G services for New Entrants

Six 2G Operators are currently licensed to use spectrum in the 800/900 MHz and 1.7 - 1.9 GHz bands to offer mobile telecommunications services in Hong Kong. The six 2G Operators collectively have built eleven networks with a comprehensive coverage over the entire territory of Hong Kong. The TA considers that this would represent a significant advantage in the Hong Kong mobile telecommunications market over any New Entrant, since a 2G Operator with a Licence would be able to offer voice and some mobile data telecommunications services across Hong Kong through its existing 2G network whilst a New Entrant was still rolling out its network.

In order to provide a fair environment for New Entrants to establish themselves in the market, any 2G Operator which is granted a Licence must provide domestic roaming on its 2G network to any New Entrant. This mandatory requirement will permit a New Entrant to use the 2G network of a 2G Operator who was successful in obtaining a Licence. It should be noted that the domestic roaming obligation:

- extends to 2G Operators who control, are controlled by, or are under common control (including via two or more parties acting in concert) with, a 3G Licensee; and
- may be required of 2G Operators as a condition of consent to joint bidding in the Auction (in this case, the definitions of “Group” used in the Domestic Roaming Condition would be amended to an appropriate level to accommodate the ownership structure of the Bidder in relation to the relevant 2G Operator, with some margin for changes to that structure).

On 21 March 2000, the TA published the first consultation document titled “Licensing Framework for Third Generation Mobile Services” inviting views from the industry on mandatory domestic roaming.

The second consultation document titled “Licensing Framework for Third Generation Mobile Services – Analysis of Comments Received,

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Preliminary Conclusions and Further Industry Consultation” (released on 3 October 2000) revealed that those parties making submissions in general had no objection to the proposal of mandatory domestic roaming. Having considered the views submitted, the TA has decided to establish a regime which permits New Entrants to roam onto the 2G networks of 2G Operators who obtain a Licence, or who control, are controlled by, or are under common control with, a Licensee.

As a condition of pre-qualification, Bidders will be required to give express consent to the insertion of a special condition on domestic roaming into their 2G Licences. If the Bidder is not a 2G Operator but controls, is controlled by, or is under common control with, a 2G Operator then the Bidder will be required to deliver a consent from its affiliated 2G Operator agreeing to the amendment of its 2G Licence by insertion of the roaming condition, subject only to the Bidder being granted a 3G Licence.

Modifications to the existing licence will be made under regulation 8(3) of the Telecommunications Regulations (Cap. 106 sub. leg. A), which empowers the TA, with consent from the licensee, to amend the licence by an appropriate endorsement upon it.

The domestic roaming special condition can be found at Schedule 4 of the Notice.

2.3.2 Summary of Domestic Roaming Condition

The key points of the Domestic Roaming Condition are as follows:

- acceptance of the incorporation of the Domestic Roaming Condition into their 2G Licences will be one of the pre-qualification conditions for 2G Operators. Acceptance of the Domestic Roaming Condition may also be a condition of TA’s consent to 2G Operators bidding together;
- provision of roaming to New Entrants is mandatory for 2G Operators who have Licences and for 2G Operators which control, are controlled by, or are under common control with Licensees (these definitions might be modified to incorporate 2G Bidding Groups);
- roaming to a 2G network is mandatory in so far as such roaming is technically feasible (e.g. roaming is not mandated onto networks which are significantly incompatible with the Licensee’s Network);
- domestic roaming must be provided immediately on request, with the relevant agreement negotiated afterward (as for interconnection);
- domestic roaming agreements should be negotiated commercially between the parties involved. Should a satisfactory roaming agreement with a 2G Operator not be concluded after a prescribed period of three months of negotiations, then the New Entrant will be permitted to refer the dispute to the TA for determination;
- the TA will only intervene to make a determination in respect of one roaming agreement per New Entrant at any one time. It is expected that the TA will require up to three months to settle a dispute.

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Intervention on further agreements (second onwards) will be subject to the TA's discretion or the agreements should be settled by commercial agreement;

- modification of a determination is permitted on a case by case basis, subject to the TA's discretion. Conditions of existing agreements will remain in force until modifications have been agreed commercially or until the TA makes a determination;
- in making a determination, the TA will not mandate roaming in geographical areas where the New Entrant has coverage through its own Network;
- the TA's intention is that MVNOs on a New Entrant's Network will not be able to benefit from the New Entrant's right to domestic roaming, but may conclude agreements for such roaming on a commercial basis without regulatory intervention;
- the New Entrant will only be entitled to domestic roaming from the day that it launches a service and until 5 years after the New Entrant is granted its Licence;
- negotiations for roaming may begin in advance of meeting such criteria at any time following grant of a Licence to a New Entrant. In the event that commercial terms cannot be agreed, then a determination by the TA may also be sought in advance of meeting the launch condition, although domestic roaming would not be mandated until the condition for launch of services has been met; and
- it is intended that roaming rates, where determined by the TA, will be based on retail-minus pricing such that the roamed network would make the same amount of profit from providing services to roaming customers as to its own. The basis of such pricing is not set out in this Memorandum but will be issued under a separate guideline as necessary.

2.4 Emission limits

2.4.1 Public exposure to electromagnetic fields

All radio base stations operated by the Licensees must comply with the "Code of Practice ("COP") for the Protection of Workers and Members of the Public Against Non-ionising Radiation Hazards from Radio Transmitting Equipment" issued by OFTA. The most recent revisions to the COP were completed in May 2000. The COP has incorporated the limits of non-ionising electromagnetic fields that are specified in "Guidelines for Limiting Exposure to Time-varying Electric, Magnetic and Electromagnetic Fields (up to 300 GHz)" published by the International Commission on Non-ionising Radiation Protection ("ICNIRP") in 1998.

All radio apparatus used by customers for services using the Frequency must comply with widely recognised international standards for such user apparatus.

2.4.2 Compliance with emissions limits

OFTA may revise the specifications on limits for non-ionising radiation hazards from time to time having regard to developments in widely recognised international standards, such as the ICNIRP, in this area. It is the responsibility of the Licensee to ensure that its installations are adjusted to comply with the prevailing specifications.

2.5 Numbering and Number Portability

2.5.1 Mobile numbering plan

In Hong Kong, the telecommunications numbering plan is managed by the TA under section 32F of the Ordinance. The TA is advised by the Telecommunications Numbering Advisory Committee (“TNAC”) which is chaired by OFTA and comprises representatives from the telecommunications industry, the Consumer Council, the Hong Kong Institution of Engineers and academics/specialists. At present, there is one member representing the licensed mobile services operators as well as one member from the Internet and Telecom Association of Hong Kong representing suppliers of telecommunications equipment and services.

The telecommunications numbering plan of Hong Kong may be downloaded from the OFTA website.

Currently, in Hong Kong, eight-digit telecommunications numbers with the leading digit “6” or “9” are used for mobile services. An extract of the existing numbering plan for mobile services is attached at Appendix F.

The attached numbering plan shows that several number blocks are reserved for the purpose of “Special Number” arrangements. Special Numbers are specific numbers which are considered attractive to customers and for which customers are willing to pay for the right to use. A mechanism is currently being devised by OFTA to assign these numbers; such assignment may be by auction pursuant to section 32F of the Ordinance. Currently, these numbers are held under reserve for the “Special Number” arrangements.

OFTA encourages efficient use of the number range and only issues new numbers for use by an operator when a target mobile number utilisation rate has been achieved by that operator. Currently, the mobile number utilisation rate is approximately 60%.

The use of numbers for mobile services, as of the end of June 2001, are set out in Table 2.2 below.

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Table 2.2: Use of numbers

Allocated to 2G cellular mobile services	10.2 million
Allocated to emergency and other services	0.9 million
Reserved for “Special Numbers” arrangement	1.5 million
Reserved for longer digits numbering migration	2.0 million
Reserved for emergency services	0.5 million
Available for allocation to 2G/3G cellular mobile services	4.9 million

2.5.2 Number portability

Since 1 March 1999, mobile number portability (“MNP”) has been implemented in Hong Kong. Since March 2001, on average 165,000 mobile numbers have been ported each month. Licensees will have to provide MNP from launch of services. Mobile numbers are to be portable between 2G and 3G services, in addition to within 3G services.

MNP is currently implemented in the core network of the 2G mobile services and is independent of the standards in the radio network interfaces. Hong Kong has adopted the intelligent network distributed database approach, which requires the originating mobile network to perform number translation. Each originating mobile network has the responsibility of routing the calls correctly to the final recipient network.

To ensure correct routing of calls, the originating mobile network operators can either:

- a) build its own database system to perform the number translation; or
- b) subscribe to the database interrogation service of the other MNP service providers. This service may be provided by either fixed or mobile network operators.

For calls originating from fixed networks to 2G mobile networks, the recipient 2G mobile networks need to pay a “per call dip charge” which is currently 1.19 cents (Hong Kong cents) per call. This charge is applicable irrespective of whether the calls are answered or not. In addition, when a mobile network acquires a porting customer, it must pay a “per subscriber set up charge” of (currently) HK\$10 to each of the four Fixed Telecommunications Network Services (“FTNS”) operators for updating their database systems. It should be noted that mobile network operators are not entitled to receive the “per subscriber set up charge” as it is an obligation under their licences to provide MNP. Such charges may be reviewed by the TA from time to time on the basis of cost.

In implementing MNP for their Networks, Licensees can either build their own database systems or subscribe to the database interrogation service of other MNP service providers. Licensees will be subject to the same

obligations as 2G Operators in the payment of “per call dip charges” and “per subscriber set up charges”.

2.6 Type approval

All radiocommunications apparatus used in Hong Kong must meet specifications prescribed by the TA and be of the type approved.

Approval of different types of customer equipment for public mobile services are granted by the TA based on results of tests conducted by OFTA itself or certification by authorities recognised by the TA.

As for current 2G Licences, Licensees must provide services to customers with equipment approved by the TA on a non-discriminatory basis, irrespective of whether the equipment is acquired from the Licensees or not.

2.7 Regulation in the Hong Kong mobile telecommunications market

2.7.1 General description of bodies and relevant legislation

2.7.1.1 Legislation

The Ordinance is the legislation for regulating the telecommunications industry in Hong Kong. The Ordinance, enacted in 1963, has been amended on a number of occasions. Recent amendments can be found in the Telecommunication (Amendment) Ordinance 2000 enacted on 16 June 2000 and the Telecommunications (Amendment) Ordinance 2001 enacted on 25 May 2001.

2.7.1.2 Regulatory and policy bodies

The regulator for the telecommunications industry in Hong Kong is the Telecommunications Authority, a public officer appointed under section 5 of the Ordinance. The TA is vested with the necessary powers under the Ordinance to regulate the telecommunications industry. At present, the TA is the Director-General of Telecommunications, head of OFTA. OFTA provides support to the TA in performing his functions and exercising his powers under the Ordinance.

The policy secretary responsible for telecommunications policy within the Government is the SITB, the head of the ITBB. OFTA is a Government department under the responsibility of the ITBB.

As a matter of policy, the Government will not intervene unnecessarily in the telecommunications market unless it is necessary to do so to deal with an imperfect market, to safeguard fair competition or to protect consumer interests. It is the TA's expectation that an efficient market with fair competition will be self-regulating and there will, therefore, be little need for specific regulatory oversight and intervention. The TA's approach therefore is to open the market to competition coupled with “light-handed” regulation.

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2.7.1.3 Public mobile radio services in Hong Kong

Public mobile radio services using cellular technology have always been operated on a competitive basis since their introduction in the mid-eighties. At present, second-generation (digital) services are in operation. There are now eleven systems licensed, operated by six 2G Operators. Five of the eleven systems operate in the 800/900 MHz bands, providing “Public Mobile Radiotelephone Services” (“PMRS”) based on the GSM 900 (three systems), IS-95 CDMA (one system) and IS-136 TDMA (one system) standards. The remaining six systems operate in the 1.7 - 1.9 GHz band, providing “Personal Communications Services” (“PCS”) based on the GSM 1800 standard.

2.7.1.4 Approach to technology

A technology-neutral approach is adopted for licensing. Within the frequency bands authorised under the Licence, the Licensee may use any technology provided it conforms to an open and non-proprietary standard for which there is a reasonable choice of consumer equipment in the market and which is compatible with the spectrum plans in Hong Kong.

2.7.1.5 Licensing regime

A Licensee must be a company formed and registered under the Companies Ordinance (Cap. 32 of the laws of Hong Kong). There is no foreign ownership restriction on any Licensee under the Ordinance.

The appropriate licence under the Ordinance for the regulation of the 3G networks expected to be used in the 1.9 – 2.2 GHz band is the Mobile Carrier Licence (a “Licence” where specifically referred to in this Memorandum). The general conditions, validity period and licence fees payable under the Licence are set out in the Telecommunications (Carrier Licences) Regulation made by SITB under section 7(2). The Licence is issued by the TA, and in issuing the Licence, the TA may attach special conditions which are not inconsistent with the Ordinance and the general conditions.

A Licensee will not have universal service obligations.

A Licensee does not have the right to lay cables along or across public streets or un-leased Government land. The Licensee will be required to lease circuits from licensed local wire-line fixed network operators for the connections between base stations and mobile switching equipment. Applications for the operation of radio links in place of circuits leased from fixed network operators will not normally be entertained due to limitations in the availability of radio spectrum for such links.

A Licensee is licensed to provide a mobile service which, by definition, is for communications between a mobile location and a fixed location, and between two mobile locations. The provision of communications services between fixed locations is therefore outside the scope of the services authorised under a Mobile Carrier Licence. For such services, a FTNS Licence or Fixed Carrier Licence is required. In the long term, the TA

may consider convergence of the Mobile Carrier Licence and the Fixed Carrier Licence. No time frame has been fixed for such a convergence.

2.7.1.6 Provisions in the Ordinance

The Ordinance contains, *inter alia*, provisions on fair competition, interconnection, sharing of facilities and land access rights. The Ordinance under sections 7K to 7N provides for a pro-competition regime to ensure fair and effective competition in the telecommunications market in Hong Kong. Section 7K prohibits anti-competitive practices, while section 7L prohibits abuse of position by a licensee which is dominant in the relevant market. In addition, section 7M prohibits misleading or deceptive conduct while section 7N prohibits discrimination by a dominant operator, which has an anti-competitive purpose or effect.

The Ordinance, under section 36A, provides the TA with the power to determine the terms and conditions of interconnection between telecommunications networks and services. The TA prefers interconnection agreements to be concluded through commercial negotiations, but where these cannot be reached within a reasonable time, the TA may make a determination of the terms and conditions under section 36A of the Ordinance.

The Ordinance, under section 36AA, empowers the TA to direct a licensee to co-ordinate and cooperate with another licensee in the shared use of facilities, where it is in the public interest to do so, and to determine the terms and conditions for such sharing. In considering whether such a sharing is in the public interest, the TA must consider a series of factors provided for in section 36AA(3), including whether these facilities are considered “bottleneck” facilities.

Section 14(1A) of the Ordinance provides a procedure whereby a Mobile Network Licensee may seek an authorisation from the TA for access to land subject to section 14(10) for the installation and maintenance of systems (antennas, feeders, transmitters and receivers) and for the extension of radio coverage over the area concerned. Before giving such authorisation, the TA must consider a number of factors (as set out in section 14(1B)), including whether the authorisation is in the public interest and whether an alternative location is available for the radiocommunications installation concerned. In effect, the authorisation is intended for access into shielded areas (e.g. tunnels and indoor areas of large shopping complexes, transportation terminals, etc.) to which radio coverage cannot be provided unless the radio installations are physically located inside these areas. Once authorisation is given under section 14(1A), the fee payable to the landowners or persons having a lawful interest in the land for access may be determined by an arbitrator. In determining the fee, the arbitrator has to consider the guidelines issued by the TA based on the principle that the fee to be paid shall be fair and reasonable in all the circumstances. These guidelines will be published in the near future.

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2.7.2 Construction of radio base stations

Sites for the installation of radio base stations are usually acquired by the Mobile Network Licensees on a commercial basis through negotiations with landowners. The TA or the Government will not intervene in this process except in circumstances set out in section 14(1B) of the Ordinance (see Section 2.7.1.6). Section 14(1B) is unlikely to be applicable to sites on roof-tops because alternative sites to serve a particular area are usually available.

The mobile operators must obtain approval from OFTA, the Town Planning Board (“TPB”), the Building Authority and the Lands Department (“LD”), where necessary, before they install radio base stations on roof-tops and/or mount antennas on external walls of buildings. A brief description of the various requirements and procedures for obtaining approval are set out below. OFTA may assist Licensees in keeping track of the application by liaising with the various government departments and facilitating the approval process. However, the decision as to whether or not to grant such approval and the actual time taken to grant such approval remains at the discretion of the individual departments/authorities concerned.

2.7.2.1 OFTA (Spectrum Management) approval

Before operators can activate a radio base station at any site, they should file an application and submit a proposal for approval by OFTA. The proposal should include the exact location of the base station, intended coverage areas, operating frequencies, emission characteristics and an assessment on non-ionising radiation hazards for the proposed radio installations. OFTA will approve applications based on the following considerations:

- the proposed set-up would not cause harmful radio interference with other telecommunications systems or services; and
- the proposed set-up would not pose any unacceptable non-ionising radiation hazards to personnel or residents in the vicinity in accordance with the COP. The COP is issued by OFTA and can be downloaded from the OFTA website.

2.7.2.2 Town Planning Board approval

Permission from the TPB is required under section 16 of the Town Planning Ordinance (Cap. 131 of the laws of Hong Kong) for the installation of base stations for mobile services.

A radio base station which serves the local district will be classified as a “Public Utility Installation”. They are permitted as of right in “Government/Institution/Community” and “Commercial” areas. Base stations meeting certain specifications on size are also permitted without application to the TPB in “Residential (Group A)” zones (“Residential (Group A)” zones are generally areas with high rise buildings). The operator can obtain information from the relevant District Planning Offices (“DPO”) on whether the installation of a “Public Utility

Installation” at a particular site requires an application for planning permission from the TPB.

If the TPB's approval is required for the proposed installation under section 16 of the Town Planning Ordinance, the operator has to provide the Planning Department with detailed information of the proposed development including the exact location of the radio base station, site plans showing the layout and dimensions of the proposed installations and any assessments on any environmental impact and health hazard.

2.7.2.3 Building Authority approval

Operators may need to obtain approval from the Building Authority under the Buildings Ordinance (Cap. 123 of the laws of Hong Kong) for the erection of a radio base station on roof-tops or mounting antennas on the external walls of buildings.

In general, approval from the Building Authority for vertically mounted antennae resting on rooftop, or those mounted vertically on parapet walls without projecting out from the external walls of the buildings is not required. However, for radio station shelters and antennae with supporting structures projecting out from the external wall of buildings, approval by the Building Authority is required. In the latter case, an Authorised Person (“AP”) and a Registered Structural Engineer (“RSE”) should be engaged to co-ordinate and supervise the works, and a Registered General Building Contractor should be appointed to carry out the works in accordance with the provisions of the Buildings Ordinance and Regulations.

2.7.2.4 Lands Department approval

The installation of a radio base station in a building may be subject to the prior approval of the LD so as to comply with the conditions of the land lease.

If a radio base station does not solely serve the occupiers of the building in which the equipment is installed, the installation of the equipment cannot be regarded as an ancillary use of the building concerned but will be considered commercial in nature. Depending on the conditions of the relevant lease, a lease modification approval from the LD may be required.

In general, installation of radio base stations at buildings erected on lots held under non-industrial or unrestricted leases would not normally require a lease modification. If this is not the case, before installing the equipment, the operator (after obtaining authorisation from the owner of the premises concerned if the operator is not the owner) needs to apply to the relevant District Lands Office (“DLO”) for a lease modification which would normally be in the form of a temporary waiver. Upon receipt of the application, the DLO will consult the relevant Government departments, if necessary, and if the lease modification is approved, will assess the modification premium or waiver fee, as appropriate, and prepare the relevant documents for execution.

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3.1 Introduction

This section provides further detail on some of the terms of the Licences, but does not repeat material covered in Section 2. Terms of the Licence relating to Spectrum Utilization Fees are covered in Section 4.

3.1.1 Licensing of mobile network operators

All existing 2G services are licensed under Public Radiocommunications Service Licences pursuant to the Telecommunications Regulation, subsidiary legislation made under the Ordinance. The Telecommunications Regulations were made by the Chief Executive in Council while the licences are issued by the TA.

Following amendment of the Ordinance in June 2000, a streamlined licensing framework has been put in place. Under the new framework, the SITB has been empowered under section 7(2) of the Ordinance to prescribe the general conditions, period of validity and licence fees payable for a “carrier licence” which, in brief, is a licence for the establishment and maintenance of a telecommunications network for carrying communication to and from the public across un-leased Government land (the full definition of “carrier licence” is given in section 2 of the Ordinance).

In exercise of this power, the SITB has made the Telecommunications (Carrier Licences) Regulation (the “Carrier Licence Regulation”) which was published in the Government Gazette on 12 January 2001. The Carrier Licence Regulation came into effect on 1 April 2001.

The TA intends to license networks and services in the 1.9 - 2.2 GHz band under the Mobile Carrier Licence. The Licence will contain all general conditions that are prescribed under the Carrier Licence Regulation made by the SITB. In addition, TA may attach special conditions that are not inconsistent with the Ordinance or the general conditions. The Licence also includes various schedules describing the scope of the service, the details of the radio spectrum assigned, the technical particulars of radio stations licensed, Spectrum Utilization Fees and the terms of the Performance Bond.

The conditions of the Licence can be found in Schedule 2 of the Notice, attached at Appendix H.

The TA is responsible for the enforcement of the Licences. General Condition 4 (Compliance Generally) of the Licence provides that a Licensee shall comply with the Ordinance, regulations made under the Ordinance, licence conditions or any other instruments which may be issued by the TA under the Ordinance. Where he is satisfied that a licensee is contravening or has contravened any conditions of its licence, any provisions of the Ordinance or any regulation made there under, the TA may issue directions under section 36B of the Ordinance to the licensee requiring it to take such action as the TA considers necessary. Failure to comply with any such direction may result in the suspension,

cancellation or withdrawal of the licence. The TA may also, pursuant to section 36C of the Ordinance, by notice require the licensee concerned to pay a financial penalty specified in the notice. The amount of the financial penalty imposed should be reasonable and proportionate to the contravention that gives rise to the penalty.

3.1.2 Number of Licences

Because of the limited availability of spectrum for mobile services in the 1.9 - 2.2 GHz band, it is intended that four Licences will be issued. Each successful Licensee will be assigned 2 x 14.8 MHz paired spectrum plus 5 MHz unpaired spectrum. The exact band limits and widths of the spectrum assigned are given in Table 2.1, Section 2.1.2.1. This will provide sufficient spectrum for each operator to provide a full range of 3G services and, at the same time, ensure competition in the market.

3.2 The Licences

3.2.1 Summary of terms

The Licence will contain the General and Special Conditions, substantially in the form set out in Schedule 2 to the Notice. The General Conditions are as prescribed in the Carrier Licence Regulation. The special conditions are listed below:

- rollout requirements for network and service;
- payment of Spectrum Utilization Fees;
- submission of Performance Bond;
- disposal of assets by Licensee;
- compulsory purchase of assets of Licensee in a dominant position under certain conditions;
- interconnection obligations;
- requirement to adopt certain accounting practices;
- metering accuracy;
- emergency call service;
- numbering plan and provision of number portability;
- non-discriminatory treatment in provision of service to customers;
- open network requirements;
- anti-avoidance provisions;
- publication of tariffs and revisions;
- tariffs for new services;
- waiver of application of certain licence conditions;
- provision of tariffed service;
- directory services;

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- compliance with auction rules;
- non-compliance with Irrevocable Undertaking;
- ownership and control of the Licensee;
- unsolicited advertising; and
- location services.

The special conditions include conditions for the approval of tariffs for new services, revision of published tariffs and the prohibition of unauthorized discounts. The TA intends to waive the application of these special conditions while the Licensee is not dominant in the market for the provision of the services under the Licence. However, the waiver of the application of these licence conditions does not affect the power of the TA to intervene in the tariffs of the services provided to CSPs under the framework for ONA as detailed in Section 2.2.6.2.

The special conditions also include a condition for the provision of directory service when directed by the TA. The TA does not intend to direct the Licensees to provide such services until and unless there is a convergence of the licence conditions for fixed networks and mobile networks. As yet, there is no planned date to implement such convergence.

3.2.2 Revocation of Licences

Under the Ordinance, the TA may cancel or withdraw a Licence, or suspend a Licence for a period not exceeding 12 months, in the event of any contravention of the Licence, the Ordinance, or any condition to which the Licensee is subject. In exercising such a power, the TA will give the Licensee a reasonable opportunity to make representations to him. The exercise of this power must be proportionate and reasonable in relation to the contravention concerned. In addition, the Chief Executive in Council may cancel or suspend a Licence at any time if he considers that the public interest so requires.

Where any Licence is cancelled, withdrawn or suspended, no part of any fee or other sum paid (including Spectrum Utilization Fee) shall be refunded. Where the Chief Executive in Council or the TA proposes to exercise such power of cancellation, withdrawal or suspension, as the case may be, he shall not consider:

- a) any fee (including any Spectrum Utilization Fee) or other sum paid in respect of or under or in relation to the Licence;
- b) any representations to the extent to which they fall within paragraph (a); or
- c) any fee or sum forfeited as a result of such cancellation, withdrawal or suspension.

3.2.3 Duration of Licences

The period of validity of a Licence shall be 15 years from the day on which it is issued.

3.2.4 Roll-out obligation

3.2.4.1 Coverage obligation

Licensees are required to meet a population coverage obligation of not less than 50% by 31 December 2006 using their own Network infrastructure.

All base stations installed are to be configured so as to be capable of supporting services operating at a minimum of 144 kbps (which refers to the speed at which user or application information is transferred).

To promote competition in the market in terms of network coverage and quality, Licensees are expected to operate separate Networks to meet the coverage obligation. Sharing of telecommunications infrastructure among Licensees will be acceptable only if:

- a) the sharing is within the scope specified in guidelines issued by the TA from time to time; or
- b) prior consent in writing is received from the TA.

Under the guidelines to be issued, the TA intends to permit sharing of network infrastructure on premises (e.g. tunnels, transportation terminals, indoor complexes, etc.) where it is impracticable due to space or other physical limitations, or unacceptable to the management of the premises, for multiple radio stations to be installed for the provision of public mobile services.

3.2.4.2 Compliance

To demonstrate compliance with the population coverage obligation, Licensees are required to provide the TA with plots showing the area over which their network provides services under the following conditions:

- when the measurement is taken, the Network must be operating at a minimum of 144 kbps;
- the coverage plot should be based on either the up link or down link transmission path, whichever results in the smaller coverage area; and
- coverage calculations are to be made using an appropriate and recognised propagation model. Licensees will be required to provide a description of the propagation model used and a justification of its application in Hong Kong.

The distribution of the population across the area of Hong Kong will be based on statistics issued by the Census and Statistics Department. The TA whilst recognising that this document provides general population distribution statistics, may consider, where appropriate, alternative population distributions suggested by the Licensees.

The TA may require additional information from the Licensee, as he may deem necessary, to satisfy the TA that the coverage plots are representative of the coverage actually achieved. In the event that the TA is not satisfied with the information provided by the Licensee, the TA may

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in his absolute discretion require that the operator provide coverage plots in any form it considers appropriate.

3.2.5 Transfer and assignment of Licences

The Licensee may, only with the prior written consent of the TA, and subject to such reasonable conditions as the TA thinks fit, transfer the Licence or any permission, right or benefit under the Licence. In giving his consent, the TA will have regard to such matters as he thinks fit including but not limited to the effect which the transfer will have on market structure and the financial and technical competence and viability of the transferee.

3.2.6 Changes of ownership of Licensees under the Telecommunications Ordinance

In order to safeguard effective competition and consumer interests in the telecommunications sector, the Government intends to introduce a regulation on the ownership and control of licensees under the Ordinance. To this end, on 17 April 2001, OFTA issued a consultation paper titled "Regulation of Mergers and Acquisitions in the Telecommunications Market". A copy of this consultation paper may be downloaded from the OFTA website. The closing date for submission of comments from the telecommunications industry and the public was 12 June 2001. The Government is now studying the comments and intends to make a decision on the regulation and proceed with the legislation process later in 2001.

In the consultation paper, the TA has proposed that the regulation should initially target "carrier licensees" (including fixed and mobile network operators). An alternative was also put forward in the consultation paper suggesting that the regulation should apply across the board to all classes of licensees whilst retaining discretion for the TA to exempt certain classes of licensees involved in those merger and acquisition activities that do not raise regulatory concerns.

The existing provisions (sections 37(1)(ga) and (gb)) in the Ordinance provide that the Chief Executive in Council may by regulation provide for control to be exercised over a licensee by any other person, or the beneficial ownership or control of any of the voting shares in, a licensee. The consultation proposed to make use of this empowering provision to make regulations that require a licensee to seek the TA's the prior approval for transactions which will result in a person acquiring:

- a) beneficial ownership or control of more than 15%, 35% and 50% of the voting shares in a carrier licensee or beneficial ownership or interest in a carrier licensee which entitles the person direct or indirect influence of the licensee to the extent equivalent to ownership or control of more than 15%, 35% and 50% of the voting shares in the licensee; or
- b) control over the carrier licensee where the person does not already have control over the carrier licensee concerned.

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In addition to the above three thresholds, the TA has in the consultation paper sought the views of the industry on the desirability of including the additional threshold of 25% (associated with veto powers for certain important corporate decisions) for prior consent by the TA, and 10% (which is the present threshold for disclosure of interest under the Securities (Disclosure of Interests) Ordinance) for notification to the TA so that the TA can monitor developments in the market.

Before the proposed regulation is enacted, Licensees will be required to seek the consent from the TA for any change in the ownership of the Licensees as presented in the Application Form.

3.2.7 Licence fees and Spectrum Utilization Fees

As stipulated in Schedule 3 to the Telecommunications (Carrier Licences) Regulation, mobile carrier licences are required to pay annual licence fees. The licence fees are set on a cost-recovery basis to cover the administrative cost of OFTA in issuing the licence and for ensuring compliance with licence conditions. According to section 32I(9) of the Ordinance, the Spectrum Utilization Fee (see Section 4 below) is payable in addition to any licence fees payable. The TA reviews licence fees from time to time and adjusts them to reflect more closely the prevailing administrative costs of OFTA.

The current annual licence fee payable on the issue and on each anniversary of the issue of a Mobile Carrier Licence in each year while the Licence remains in force shall be the sum of:

Table 3.1: Payment of Licence Fees

For the 1st to the 50th base station installed for the service	HK\$1,000 per base station
For the 51st to the 100th base station installed for the service	HK\$500 per base station
For the 101st base station installed for the service and any additional base stations	HK\$100 per base station
For the 1st 200 mobile stations or less used by customers of the service	HK\$6,000
For every additional 100 mobile stations or less used by customers of the service	HK\$3,000
For every 1 kHz of frequency assigned to the Licensee	HK\$50

For the purpose of determining the licence fees payable, the number of stations and the width of the frequency assigned shall be those authorised or in service at the time when the Mobile Carrier Licence concerned is issued or on each anniversary of the issue date.

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3.3 Licensing of MVNOs

An MVNO is defined as an operator providing a public radiocommunications service to customers through interconnection with, and access to, radiocommunications infrastructure of an operator licensed under a Public Radiocommunications Service (“PRS”) Licence or Mobile Carrier Licence and assigned with the radio spectrum through which the public radiocommunications service is provided.

Under section 8 of the Ordinance, any person establishing or maintaining any means of telecommunications must obtain a licence under the Ordinance. As an MVNO establishes and maintains a means of telecommunications interconnected with the mobile network operator, it must be licensed under the Ordinance.

The licence used to license an MVNO in the 800MHz, 900MHz, 1.7 - 1.9 GHz and 1.9 - 2.2 GHz bands is the PNETS Licence in the form of which has been published in the Gazette by the TA pursuant to section 7(8) of the Ordinance. A copy of the PNETS licence for MVNOs will be published on the OFTA website in due course.

The conditions of the PNETS Licence for MVNOs will mirror those under a PRS Licence or Mobile Carrier Licence as far as possible, with the exception that the MVNO will not be assigned radio spectrum under the PNETS licence and therefore will not be allowed to operate any radio station under the licence.

Under the PNETS licence, the MVNO will have the following rights and obligations similar to an MNO under a Mobile Network Licence:

Rights

- a) MVNO will be allocated their own number sets under the telecommunications numbering plan; and
 - b) each MVNO may be allocated a Mobile Network Code;
- if it meets certain criteria which will be developed in consultation with the Telecommunications Numbering Advisory Committee.

Obligations

- a) MVNOs shall provide customer statistics to the TA;
- b) MVNOs shall be subject to payment of licence fees;
- c) MVNOs shall conform to the TA’s telecommunications numbering plan;
- d) MVNOs shall facilitate MNP;
- e) MVNOs shall provide emergency services to their customers, mobile stations; and
- f) MVNOs will be required to pay the same interconnection charges as a Licensee for direct interconnection with fixed networks.

3.3.1 Duration of PNETS licences (for MVNOs)

The PNETS licence will be valid for one year and, subject to the discretion of the TA, may be renewed on an annual basis.

3.3.2 PNETS licence application process

Interested parties are required to complete the application form for PNETS licence and provide the required supporting documents and information to OFTA.

On receipt of the completed application form and the required supporting documents, OFTA will process the application and respond to the applicant within 14 working days.

3.3.3 Payment of licence fee under PNETS licences

At present, a fee of HK\$750 is payable on the grant or renewal of a PNETS Licence. This fee is subject to periodic review by the TA on a cost recovery basis.

When apparatus for radiocommunications is possessed, used, established or maintained for the purposes of the services provided, the following additional fees shall be payable on the grant or renewal of the PNETS licence:

- a) a fee of (currently) HK\$750 for every base or fixed station (this will not be applicable to an MVNO as no base or fixed stations will be authorised under the licence); and
- b) a fee in respect of mobile stations used by the customers of the service. This fee is currently calculated at the rate of HK\$15,000 for the first 200 stations and a further fee of HK\$7,500 for every 100 or part of a 100 mobile stations exceeding 200. The TA intends to amend the fee, before the issue of the first MVNO licence for 3G services, to bring it in line with the licence fee payable by a Mobile Carrier Licensee, which is currently HK\$6,000 per annum for the first 200 mobile stations and HK\$3,000 for every additional 100 mobile stations, or part thereof, so as to ensure fair competition between MVNOs and Licensees in the provision of service.

For the purpose of determining the fees payable in a) and b) above, the number of stations used for the calculation shall be based on those functioning at the time when the Licence is granted or, as the case may be, renewed.

As an MVNO will not operate any radio stations for the service, the part of the licence fee structure applicable to the number of fixed (base) stations operated by the Licensee will not be applicable to an MVNO. However, the part of the licence fee applicable to the number of mobile stations used by the MVNO's customers will be applicable.

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4.1 Policy background

The Telecommunications (Amendment) Ordinance 2001, which was passed and enacted on 16 May 2001, provides, *inter alia*, the legal basis for the Government to auction the spectrum in the 1.9 - 2.2 GHz band. Between 4 July and 6 July 2001, the Regulation and Order made by SITB and the TA respectively and amended by the Legislative Council took effect. The subsidiary legislation enables the Government to levy Spectrum Utilization Fees for the use of the Frequency by giving effect to the licensing framework announced by the Government on 13 February 2001. The components of the Spectrum Utilization Fees are described below in Section 4.2. The main element is a royalty payable on Network Turnover. This is subject, in each year of calculation, to a minimum amount (“Minimum Annual Fee”) which acts as a floor to the level of royalty collected. This Section sets out all matters relating to the Spectrum Utilization Fees to be paid by Licensees and in particular describes the:

- components of the Spectrum Utilization Fees;
- correlation between Royalty Percentages and the Minimum Annual Fee;
- terms of payment of Spectrum Utilization Fees due;
- definition of Network Turnover;
- accounting separation requirements to support the collection of the royalty; and
- measures taken to prevent avoidance of recognising revenue as Network Turnover.

4.2 Components of the Spectrum Utilization Fees

The Spectrum Utilization Fees will be set by the Auction and will comprise:

- a) annual payments for the 15-year Licence period which will be bid in the First Phase of the Auction and be equivalent to:
 - i) the Minimum Annual Fee for each of the first five years after grant of Licences; and
 - ii) the higher of the Minimum Annual Fee for each year or the Royalty Amount as computed based on a Royalty Percentage (determined in the Auction) and the Network Turnover of the Licensee from year six after grant of Licences;
- b) the upfront cash payment, if any, to be paid by a Licensee pursuant to the Second Phase of the Auction; and
- c) the upfront cash payment, if any, to be paid by a Licensee pursuant to the Third Phase of the Auction.

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4.3 Correlation between Royalty Percentages and Minimum Annual Fees

Each Royalty Percentage will have a corresponding set of Minimum Annual Fees for the entire 15-year Licence period. The Bidding Schedule, attached at Appendix G, defines this relationship.

4.4 Terms of payment of Spectrum Utilization Fees

The Bidding Schedule provides, in relation to each Royalty Percentage, the Minimum Annual Fees payable annually by the Licensee for the 15-year period of the Licence.

As the Royalty Percentage increases, the resulting Minimum Annual Fees payable by the Licensees also increase. Licensees are required to provide a Performance Bond to the Government in an amount equal to the sum of the next five years' Minimum Annual Fees, or the remaining years of the Licence, if less than five years.

The royalty due by the Licensee to the Government will be as set out in Section 4.2.

4.4.1 Payment

Licensees will be required to pay the Spectrum Utilization Fees in arrears. For the first five years of the Licence, on the anniversary of the grant of the Licence, the Licensee will pay the Minimum Annual Fee for the relevant year, as set out in the Bidding Schedule.

From year six onwards, on the anniversary of the grant of the Licence, the Licensee will make a provisional payment of the Minimum Annual Fee due for that year (the "Provisional Payment"). Within a specified period (to be determined by the Authority after consultation with Licensees, and not expected to be longer than 90 days) after the date on which the Provisional Payment is due (the "Due Date"), the Licensee will be required, to provide the TA with details of its audited Network Turnover for the relevant year of the Licence and to settle the difference between the Provisional Payment and the actual Royalty Amount due. If the Royalty Amount due is less than the Minimum Annual Fee, then no additional payment for that year will be required from the Licensee. Table 4.1 below provides an illustrative example.

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Table 4.1: Payment methodology example

Year	1 to 5	6	7	8	9	10
Minimum Annual Fee	50	60	70	80	90	100
Royalty Percentage	10%	10%	10%	10%	10%	10%
Network Turnover	1,000	1,200	1,300	1,800	2,000	2,400
Royalty due for year	n/a	120	130	180	200	240
Payment due:						
On anniversary	50	60	70	80	90	100
On Due Date	nil	60	60	100	110	140
Total payment	50	120	130	180	200	240

4.4.2 Default

If on the Due Date the Licensee fails to pay the amounts due then the Authority will, in addition to any penalties which may be levied, charge interest on the overdue amounts until such time as they are settled in full. The interest rate charged will be “compensatory”, being set at a rate designed to compensate the Government for loss of revenue. This would currently be the average of the prevailing best lending rate of the note-issuing banks minus 2%.

The TA also retains his discretion to impose a financial penalty on the Licensee on failure to pay any amounts due under the Licence. The financial penalties would be imposed in accordance with section 36C of the Ordinance.

In the event that the Licensee fails to pay any amount due to the Government then the Government shall recover any amounts due as civil debts.

4.5 Performance Bond

At the time of grant of a Licence, each Licensee must provide a Performance Bond, issued by a Qualifying Bank, in an amount equivalent to the Minimum Annual Fees payable for the first five years of the Licence, with a maturity date, for the full amount of the Performance Bond, of the fifth anniversary of award of the Licence.

Thereafter, the Licensee must at all times maintain in full force and effect a Performance Bond or Bonds equivalent to the next five years’ Minimum Annual Fees or the remaining Minimum Annual Fees for the duration of the Licence, if less than five years. These must be provided by a Qualifying Bank. The Performance Bond must be provided in the form attached at Schedule 5 to the Licence.

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The Performance Bond will be called in the event of:

- a) failure of the Licensee to pay all or any of the Spectrum Utilization Fees due to insolvency of the Licensee;
- b) surrender of the Licence by the Licensee;
- c) a decision by the Chief Executive in Council to cancel or suspend the Licence or the Authority to cancel, withdraw or suspend the Licence pursuant to section 34(4) of the Ordinance; or
- d) the Licensee ceasing to provide telecommunications services over the telecommunications network pursuant to the Licence.

This serves to protect the Government against serious default by a Licensee that merits revocation.

4.6 Definition of Network Turnover

Network Turnover is defined in the Regulation as, “in relation to calculating a Spectrum Utilization Fee, [means] the revenue arising from or attributable to the provision of any telecommunications services over any telecommunications network using the frequency bands to which that fee relates”.

Network Turnover therefore includes all revenue arising from and attributable to the provision of all telecommunications bearer or carriage services licensed under the Licence using the Frequency assigned to the Licensee (“Licensed Telecommunications Services”).

Licensees will be required to account separately for business activities that involve the provision of Licensed Telecommunications Services that use the Frequency (the “Network Business”) and all other businesses operated by the Licensee for the purposes of computation of Network Turnover. The Network Business will be required to sell Licensed Telecommunications Services on a non-discriminatory basis to all purchasers, including the Licensee’s other Businesses, and on an arm’s length basis to the Licensee’s internal Businesses and group or affiliated companies.

Network Turnover will include all revenue arising from or attributable to the provision of Licensed Telecommunication Services over the spectrum assigned to the Licensee under its Licence. Revenue from other services provided by the Licensee such as:

- the provision of handsets or terminals; and
- provision of the value-added component (i.e. the component over and above the bearer or carriage services required for delivery) of content, applications or services;

will be excluded. Revenue arising from or attributable to the provision of Licensed Telecommunication Services to access other services provided by the Licensee itself or other service providers will therefore be included in Network Turnover. The revenue from the provision of external services (meaning communications between a Hong Kong gateway for such external services and destinations outside Hong Kong) is not part of

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the Network Turnover. Revenue arising from or attributable to telecommunications services using 2G spectrum will also not be counted. All revenues arising from or attributable to the Network Business will be subject to the royalty. These would include, but not be limited to:

- revenues from the Licensee's internal Businesses for use of the Frequency assigned to the Licensee to provide content, applications and services using;
- revenues from MVNOs (whether affiliated or non-affiliated);
- revenues from content or service providers (whether affiliated or non-affiliated);
- revenues from other operators for roaming onto the Network;
- interconnection charges for origination and termination of traffic that has used the Frequency assigned to the Licensee; and
- revenues from any other person to whom the Network Business provides Licensed Telecommunications Services;

subject to the carve-outs relating to the value-added component of content, applications and services.

For the avoidance of doubt, payments to other interconnecting network operators (e.g. fixed network operators, other mobile operators, etc.) are regarded as costs to the Licensee in providing Licensed Telecommunications Services and do not affect the calculation of Network Turnover.

Where Licensed Telecommunications Services (i.e. use of the Frequency) are provided to the Licensee's other Businesses (probably for onward sale to end-users), they must be charged at transfer prices that cover at least the cost of providing the goods and services.

Where a service incorporates both Licensed Telecommunications Services and other services (e.g. provision of specific content for which the purchaser is paying) for which a single charge is made to the purchaser, the Licensee will need to account separately for the underlying Licensed Telecommunications Services (bearer or carriage services for the transmission of, for example, the content) and the value-added component of content purchased.

If a Licensee is also a 2G licensee, the 2G business and Network Business must also be accounted for separately.

The following table provides some non-exhaustive examples of the expected treatment of various items for the purposes of determining Network Turnover.

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Table 4.2: Intended treatment of revenue and cost items in the Accounting Manual

Item	Intended treatment
Revenue from the provision of Licensed Telecommunications Services to internal business units, MVNOs (internal, group, affiliated and third party), CSPs (internal, group, affiliated and third party), interconnection charges for origination or termination of calls and revenue arising from or attributable to provision of roaming over the Network (whether international, national or domestic roaming)	These will be included as Network Turnover for the purpose of computation of the Royalty Amount
Revenue from the provision of the value-added component of content, applications and services, use of the 2G spectrum or any other frequencies (other than the Frequency) (even if they are used for 3G purposes or in conjunction with the Frequency), provision of handsets or terminals	These will not be included as Network Turnover for the purpose of computation of the Royalty Amount
Payments received for International Direct Dial (“IDD”) calls	The Licensee will be permitted to exclude, from the revenue arising from or attributable to the Licensee from the customer, that portion of the revenue received for on-payment to the IDD operator for transmission and termination of the call. Note that the exclusion is the amount paid by the customer that is paid on to the operator providing roaming services
Payments to other network operators for international, national or domestic roaming services used by customers of the Licensee	The Licensee will be permitted to exclude, from the revenue arising from or attributable to the Licensee from the customer, that portion of the revenue arising from or attributable to the Licensee for on-payment to the operator providing the roaming services. Note that the exclusion is the amount paid by the customer that is paid on to the operator providing roaming services
Discounts and rebates	The net amount (gross payment less discount or rebate) counts as Network Turnover
Payment to content providers, applications and service providers, other service providers	These will not be included as Network Turnover
Licence fees as set out in Section 3.2.7 of the Memorandum	These are costs to the Licensee of operating the Network and do not affect the calculation of Network Turnover
Interconnection charges payable to other Hong Kong telecommunications operators	These are costs to the Licensee of operating the Network and do not affect the calculation of Network Turnover
Bad debts, allowance for defective or unsatisfactory services	These are costs to the Licensee of operating the Network and do not affect the calculation of Network Turnover

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4.7 Accounting separation

Each Licensee will be required to maintain appropriate accounting records sufficient for:

- determining the Network Turnover and Royalty Amounts for such Licensee;
- determining the cost base for computation of interconnection charges by a Licensee to MVNOs and the tariffs made available to CSPs;
- the TA to make a determination in the event that he is required to intervene where there is evidence of unfair, anti-competitive or discriminatory treatment, as the case may be, of an NSP by a Licensee; and
- for the purposes of making any interconnection determination under Special Condition 6 and section 36A of the Ordinance.

As a result, the TA will in due course publish an Accounting Manual setting out the guidelines and requirements which each Licensee will need to follow in maintaining its accounting records. The contents of this Accounting Manual will be subject to consultation with the Licensees.

Each Licensee will be required, where directed by the Authority, to provide an audit certificate by a qualified external auditor, on an annual basis, certifying that such Licensee has maintained appropriate accounting records in accordance with Special Condition 7 and the Accounting Manual and its annual Network Turnover for the calculation of that year's Royalty Amount has been computed in the manner as set out in the Accounting Manual. This audit certificate will be required to be provided to the TA within a period as specified pursuant to Special Condition 7.6 which is expected to be within 90 days of the anniversary date of grant of the Licence.

If necessary, the TA may appoint another qualified external auditor to examine the books and records of the Licensee and to determine whether the accounts have been maintained in accordance with Special Condition 7 and the Accounting Manual. Following the report of the auditor, the TA may specify that the revised Network Turnover shall replace that originally calculated by the Licensee, for the purposes of calculating the Royalty Amount.

4.7.1 Financial reporting

The Licensee is required, under the terms of Special Condition 7 of the Licence, to account separately for different services or business activities, each defined as a "Business". As well as producing a set of accounts for the whole of the Licensee, it is expected that the Accounting Manual will require the Licensee to account for three separate Businesses:

- the Network Business;

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- a mobile network business using any other spectrum assigned to the Licensee under any other licence; and
- all other non-network businesses.

The TA reserves the right to designate a larger number of Businesses, if necessary, for the due performance of his functions under the Ordinance, the Regulation and the Licence (in particular in relation to determinations under Special Condition 12 (Open Network Access) and Special Condition 13 (Anti-Avoidance Provisions)). Where Businesses are accounted for separately, any transaction between such Businesses must be accounted for as if the parties were legally and commercially independent. At the direction of the TA, the Licensee must provide a reconciliation of the accounts of the various Businesses to the Licensee's statutory accounts.

It is expected that the Licensee will be required to produce all such regulatory accounts:

- annually, for the year to each anniversary of grant of the Licence (each a "Royalty Year"); and
- semi-annually, for each six-monthly period starting on the date of grant of the Licence.

It is expected that the accounts required will include:

- a statement of profit and loss for the Licensee as a whole and for each Business, together with detailed statements of revenues and costs;
- a balance sheet for the Licensee;
- detailed statements of assets for each Business;
- a cash flow statement for the Licensee; and
- a statement of mean capital employed for the Licensee and each Business;

for the relevant Royalty Year or other period. The accounts will need to fairly present, in accordance with Special Condition 7 and the Accounting Manual:

- a) in the case of the statement of profit and loss, the results of the Licensee and each Business for the relevant Royalty Year or period;
- b) in the case of the balance sheet, the assets and liabilities of the Licensee at the end of the relevant Royalty Year or period;
- c) the detailed breakdown of assets for the Licensee and each Business at the end of the relevant Royalty Year or period;
- d) in the case of the cash flow statement, the cash flow of the Licensee for the relevant Royalty Year or period; and
- e) in the case of the statement of capital employed, the mean capital employed by the Licensee and each relevant Business over the relevant Royalty Year or period.

SPECTRUM UTILIZATION FEES

4.7.2 Provision of further information

In circumstances where the Authority is requested to intervene pursuant to Special Condition 12 in any potential unfair, anti-competitive or discriminatory treatment, as the case may be, of an NSP by a Licensee, the TA may conduct an investigation into the arrangement(s) between such NSP and the Licensee. In this case, the TA may request that special financial and/or operational report(s) be prepared by the Licensee, and such report(s) should be provided to the TA within a period to be specified by the TA.

4.8 Anti-avoidance measures

Licensees must not avoid payment of the Spectrum Utilization Fees. In particular:

- a) the Licensee is forbidden from entering into transactions, or taking part in some or all of a series of transactions, that would cause revenue arising from or attributable to the Licensee from Licensed Telecommunications Services using the Frequency to not be recognised as chargeable;
- b) any sale of Licensed Telecommunications Services by the Network Business to another affiliated company (defined as controlled by, controlling or under common control with, the Licensee) must be on arms' length commercial terms;
- c) services provided to internal Businesses must be accounted for at least at cost; and
- d) any receipts in kind by the Licensee in return for the provision of Licensed Telecommunications Services using the Frequency must be accounted for at their fair value and will be treated as Network Turnover.

4.9 Tax treatment of Spectrum Utilization Fees for Licences

The Commissioner of Inland Revenue has commented that any royalties (including the Minimum Annual Fees) as determined in the First Phase of the Auction and paid by a Licensee each year for the duration of the Licence should be tax-deductible. Any cash amount paid as a result of the Second Phase and Third Phase of the Auction are however not tax-deductible and will not attract capital allowances.

It is the responsibility of Bidders to obtain their own tax advice.

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5.1 Policy background

The Government has decided that the Licences should be allocated by means of a process consisting of pre-qualification followed by an auction. The pre-qualification process is intended to ensure the financial strength of Bidders and the quality of networks to be built under the Licences. The auction stage will allocate the Frequency in an efficient and fair manner and will also determine the Spectrum Utilization Fees to be paid by the successful Licensees.

The general methodology of the Auction is “fifth price” or “fifth leaver”. In other words, the price to be paid by the successful Licensees will be determined by the point at which the highest losing Bidder withdraws from the Auction. The Auction will also involve a high level of confidentiality, so that Bidders’ identities and bids are not disclosed during the Auction. This feature is intended to deter collusive behaviour and manipulation of the Auction, but will also give an opportunity to Bidders to keep confidential their identities until they have been able to bid.

5.2 Introduction

The Notice, attached at Appendix H, governs the Auction procedures. The following Chapter provides a summary of some elements of the Notice, and provides guidance on practical procedures and Applications. In the event of any discrepancy between the Memorandum and the Notice, the Notice shall take precedence.

The Auction process is summarised below, together with an indicative timetable, starting on the day on which Applications are to be received. In order to preserve the necessary flexibility to run the Auction, there are no pre-set deadlines to which the TA must adhere. The following therefore only provides an indicative timetable.

Table 5.1: First Phase process - indicative timetable	
Submission of Applications	9.00a.m. to 5.00p.m. on either of the two Application Dates
Notification of pre-qualification (Bidder Notice) and of start of the First Phase (Bidder Participation Notice)	On the day after the later of the Application Dates or up to 3 Business Days thereafter
Bidders who have not been pre-qualified also informed	
First Phase (expected duration of less than 1 day)	On the date of notification of pre-qualification or up to 3 Business Days thereafter

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Provisional Successful Bidder Notice (notifying Provisional Successful Bidders of their success in the First Phase, and issue of shareholding structures to other Provisional Successful Bidders)	Within 2 Business Days of completion of First Phase
Return of details of any Connections by Provisional Successful Bidders	Within 3 Business Days after receipt of Provisional Successful Bidder Notice
Notification of date for submission of Third Phase bids (Third Phase Notice)	Within 3 Business Days after return of details of any Connections
Submission of Third Phase bids	Within 3 Business Days after receipt of Third Phase Notice
Third Phase – selection of specific Licences by Bidders	On the same day as Third Phase bids are received

The timetable above sets out the expected procedures if there are no Connections between the Provisional Successful Bidders. In the event that such Connections did arise, the time required to complete the Second Phase would be expected to be extended. If it emerges that there are Connections between the Provisional Successful Bidders, the timetable would be extended by the following extra steps:

Table 5.2: Second Phase process - indicative timetable

Second Phase Notice	Within 3 Business Days of provision of details of any Connections
Submission of Irrevocable Undertaking to separate	2 Business Days after Second Phase Notice
Submission of Second Phase bids (if Irrevocable Undertakings not received)	Within 3 Business Days of the deadline for submission of Irrevocable Undertakings
Issue of reactivation notice to next highest losing Bidder from First Phase and re-issue of shareholding information to reactivated Bidder and existing Provisional Successful Bidders	Within one Business Day of receipt of Second Phase bids
Return of details of any Connections in relation to new Provisional Successful Bidder	Within 3 Business Days of issue of reactivation notice and shareholding information

5.3 Applications

Detailed instructions on submission of Applications are set out in the instructions section of the Application Form, which is attached at Appendix 1 of the Notice. In summary, Bidders must provide:

- a duly completed Application Form, together with additional supporting documents, containing all requested information; and

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- the Deposit of HK\$250 million, either in cleared funds in either of the Authority Accounts or by Letter of Credit (in the form at Appendix 7 of the Notice). Section 5.12 of the Memorandum provides further details on the handling of Deposits.

Bidders should note that all requested information must be provided, in the form explained in the Application Form. Applications that are received, in whole or in part, after 5.00p.m. on the later of the Application Dates will not be accepted. Applications that do not contain all the requested information may be rejected and the Bidders may not pre-qualify.

Bidders should note that:

- *once received, an Application cannot be withdrawn;*
- *submission of an Application commits the Bidder and its Insiders to compliance with the rules of the Auction, as set out in the Notice; and*
- *submission of an Application commits the Bidder to a bid at the First Phase Reserve Price for any one of the four Frequency bands.*

The Application must contain an address, telephone and fax numbers in Hong Kong to which notifications regarding the Auction process may be sent.

5.4 Pre-qualification

Bidders will be pre-qualified if they satisfy the following requirements:

- Provision (on time and at one of the correct locations) of a duly completed Application Form, together with all necessary supporting documents and certificates, containing all requested information.
- Provision of the Deposit in the form set out in Section 5.12.
- Not controlling, being under the control of, or under common control with, any other Bidder (where “control” has the meaning given to it in the Notice).
- Not having sought, and their shareholders not having sought, to create any Connection with any other Bidder.
- Not having entered, and no member of its corporate group (as defined in the Notice) having entered, into any MVNO arrangement with any other Bidder.
- In the case of two or more 2G Operators co-operating in submitting an Application, the TA’s consent to the arrangement.
- In the case of a Bidder who is a 2G Operator, or any Bidder controlling, controlled by, or under common control with, one or more 2G Operators, the confirmation by any such 2G Operator that it accepts the amendment of its 2G licences to incorporate the Domestic Roaming Special Condition.

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Pre-qualification is expected to be a relatively rapid process, and could even take place on the day immediately following the Application Dates. Bidders should therefore be prepared for notification of pre-qualification on any day after the Application Dates. All the personnel required for the Auction process should be readily mobilised in Hong Kong during this period. In any event, it is not expected that pre-qualification would take longer than a few days, although the TA retains discretion to take longer as is necessary in the circumstances.

The TA will inform Bidders of their pre-qualification by telephone, by fax or by other means as appropriate, using the contact details provided by the Bidder in its Application Form. The TA will also inform Bidders who have not been pre-qualified of this fact at the same time.

Bidders should note that the TA may exclude any Bidder if, in his opinion, that Bidder is not a fit and proper person to hold a Licence. In making such a decision the TA may consider, *inter alia*, the personal, professional and financial probity of any director, manager or key employee of the Bidder and its principal or controlling shareholders.

5.4.1 Joint Applications by 2G Operators

If a number of 2G Operators wish to co-operate in the Auction, they must have received the TA's permission to do so in advance. The precise definitions for the type of arrangements requiring TA's permission are set out in the Notice, and summarised in Appendix A, A.5.

Any such request for TA's consent must:

- be submitted to the TA at least 6 weeks in advance of the later of the Application Dates;
- set out in detail the proposed arrangements, including:
 - the ownership structure of the bidding vehicle involved;
 - any arrangements governing the management of the Bidder;
 - any arrangements governing the provision of services; and
- if more than one application is received from the same 2G Operator, the TA has the discretion to approve just one application, or no application at all.

The TA intends to make decisions within 3 weeks of receipt of any request to co-operate in the Auction, basing his decision on the criteria relevant to the competitive state of the market set out in the consultation paper on the Regulation of Mergers and Acquisitions in the Telecommunications Market published on 17 April 2001. If consent is given, the relevant 2G Operators must enter the Auction in the configuration to which the TA has consented, or must inform the TA immediately and before the earlier of the Application Dates if they subsequently decide not to co-operate in bidding.

The TA is not bound to make any decision regarding, or grant any consent to, co-operation in the Auction. Any decision of the TA in relation to a given request may be affected by previous decisions made in relation to

other requests from 2G Operators. The decision of the TA will also be without prejudice to any future arrangement for co-operation for which the TA’s permission is sought.

5.5 The Auction - Overview

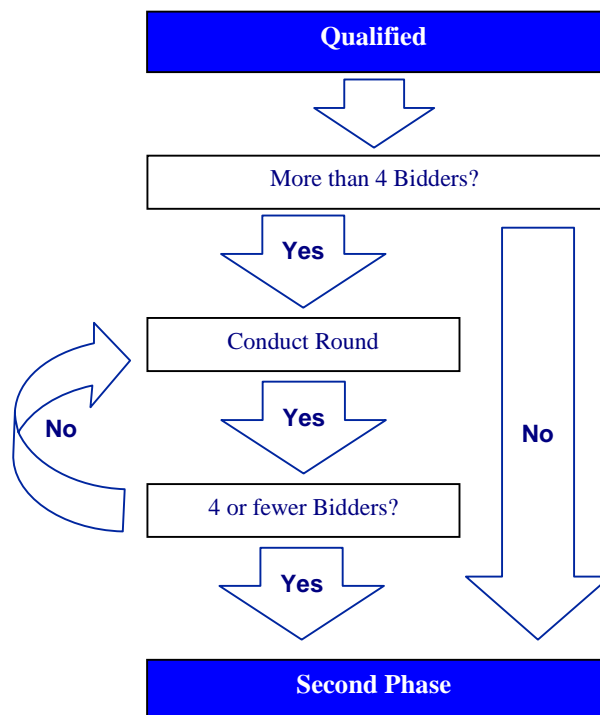
The Auction will consist of three phases, summarised below with further details provided thereafter:

First Phase

This phase selects from all of the Bidders the four provisional winners (“Provisional Successful Bidders”), and determines the Spectrum Utilization Fee that will apply to each of those winners’ Licences. Bidding in the Auction is for a Royalty Percentage of Network Turnover, underpinned by a profile of Minimum Annual Fees. Section 4 provides details of the payment mechanism.

The Spectrum Utilization Fee will be determined by the Royalty Percentage at which the fifth highest Bidder (the highest losing Bidder) withdraws from the Auction. In any case where there is no “fifth highest” Bidder, the Spectrum Utilization Fee determined by the First Phase will be the First Phase Reserve Price.

If only four or fewer Bidders pre-qualify, the First Phase will not be held and the Royalty Percentage applicable to the Licences will be determined as the First Phase Reserve Price. The Auction will proceed directly to the Second Phase if the Auctioneer determines that there are Connected Bidders amongst these Provisional Successful Bidders. If the Authority determines that there are no Connected Bidders, the Auction will proceed directly to the Third Phase. The following diagram provides an overview of the First Phase:



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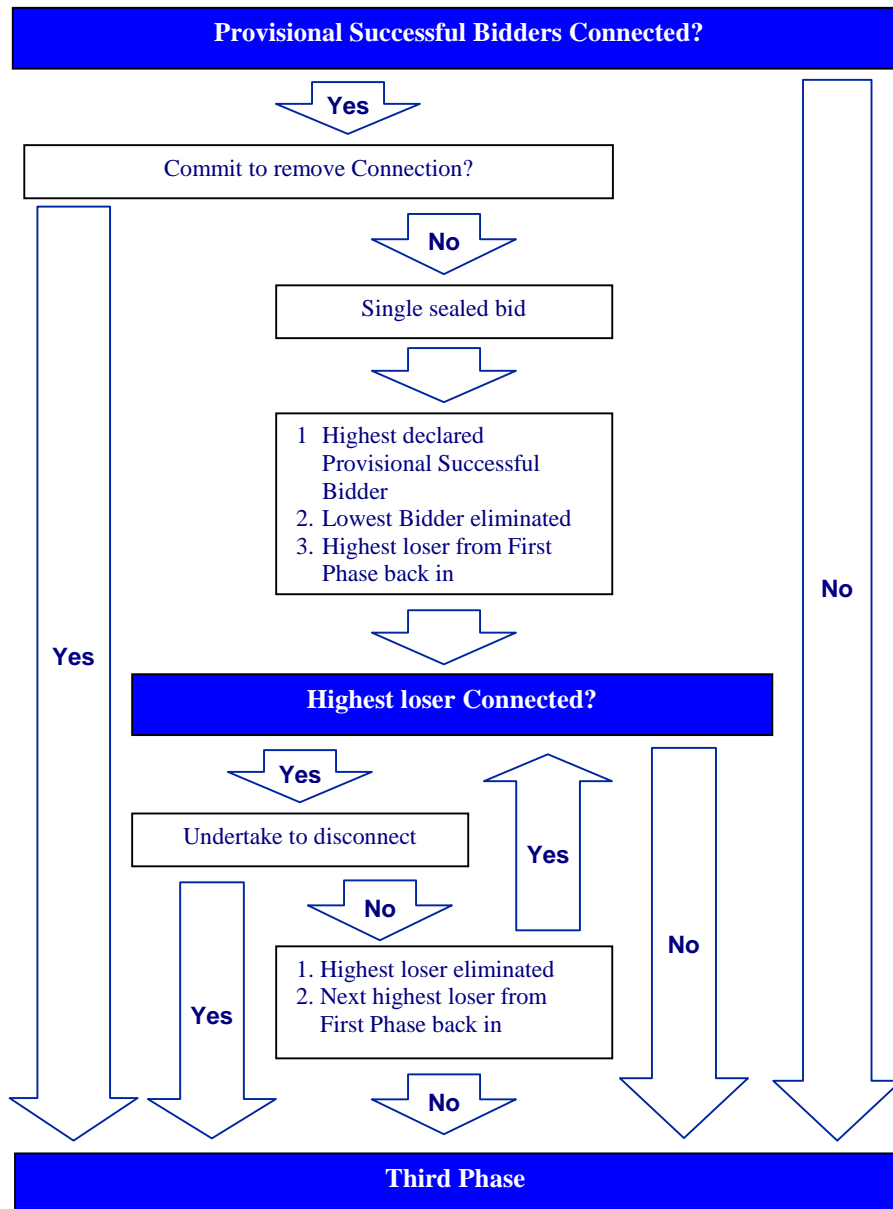
Second Phase

Provisional Successful Bidders may be Connected (i.e. too closely related by ownership or other arrangements – see the Notice for precise definitions and Appendix A for explanatory diagrams), and if so in the Second Phase they must:

- either commit to remove the Connection, and provide the Irrevocable Undertaking in the form set out at Appendix 6 of the Notice; or
- bid against each other, by way of a single sealed bid expressed in a cash sum payable on licensing, to remain in the Auction.

If a Provisional Successful Bidder is eliminated from the Auction through Second Phase bidding, the highest losing Bidder from the First Phase will be brought back into the Auction (i.e. reactivated). If this happens, the Royalty Percentage applicable to all Licensees will be revised based on the new fifth price – i.e. the lowest percentage that the new highest losing Bidder was unable to accept when it withdrew from the First Phase.

If a reactivated Bidder is Connected to another Provisional Successful Bidder, the relevant Bidders must provide an Irrevocable Undertaking to remove the Connection or the reactivated Bidder will automatically be eliminated from the Auction, without bidding. In such a case, the next highest Bidder from the First Phase would then be reactivated. The following diagram provides an overview of the Second Phase:

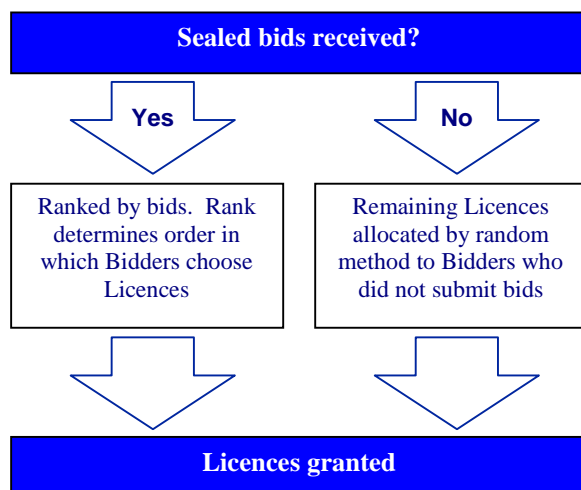


Third Phase

The Third Phase allocates specific Licences to the Provisional Successful Bidders. Provisional Successful Bidders must submit a single sealed bid (again, for cash payable on licensing) which determines the order in which Bidders may choose a Licence.

The following diagram provides an overview of the Third Phase:

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Licences will be granted after notification that the Bidder will be granted a Licence (i.e. after the end of the Third Phase), subject to at least three Business Day's notice.

Successful Bidders will have 10 Business Days from notification of their participation in the Third Phase, to obtain any necessary shareholder's approval, or a waiver of any such approval. If, despite the best endeavours of the Bidder, this does not prove possible, the Bidder may apply to the TA for an extension to the time available.

5.6 Reserve prices

SITB has set the following reserve prices for each phase of the Auction:

First Phase Reserve Price	5%
Second Phase Reserve Price	HK\$0
Third Phase Reserve Price	HK\$0

5.7 First Phase

This Section sets out the procedures for conducting the First Phase of the Auction, which is used to determine the Provisional Successful Bidders and the Royalty Percentage that will apply to those Licences.

5.7.1 First Phase – principles

The process for the First Phase of the Auction may be summarised as follows. Illustrative examples of a number of the situations that may arise in bidding are attached at Appendix E.

Bidding variable

As set out in Section 4.2, bidding is for royalties (expressed to two decimal places), expressed as a Royalty Percentage of Network Turnover. Each given Royalty Percentage has a corresponding profile of annual minimum payments (the Minimum Annual Fees), that the Licensee will

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need to pay regardless of the actual royalty derived from Network Turnover.

This is set out in the Bidding Schedule, attached at Appendix G.

Bidding process

The First Phase of the Auction is expected to be completed in a matter of hours. The Auctioneer will broadcast (details of the Auction systems are given in Section 5.7.2) a series of rounds during which Bidders may bid within a bidding increment applicable to that Round, as set out at Appendix G. The increment applicable to each Round will be one percent (1%) (e.g. 5.00% to 5.99%). Bids must be expressed to two decimal places (i.e. to mini-increments of 0.01%).

During each Round, Bidders will need to submit a single form (via the bidding system – described in Section 5.7.2) indicating that they either:

- confirm that they remain in the First Phase for the entire increment (and therefore that their minimum possible bid will be the lowest percentage in the following Round); or
- withdraw from the First Phase.

A withdrawal from the First Phase consists of two figures:

- the highest Royalty Percentage which the Bidder is prepared to offer (its “Final Offer”); and
- the lowest Royalty Percentage which the Bidder cannot accept, which must be expressed as 0.01% greater than its Final Offer.

Sample Bidding Forms are attached at Appendix 9 of the Notice.

Final Offers remain valid until the end of the Second Phase. The Final Offer must fall within the bidding increment applicable to that Round, but where the Final Offer is the maximum percentage in a given increment, the withdrawal percentage will be the lowest Royalty Percentage in the next Round. For example, in the increment 5.00% to 5.99%, if a Bidder wishes to make a Final Offer of 5.50%, its withdrawal percentage is 5.51% (within the increment applicable to the current Round). If the Bidder had wished to make a Final Offer of 5.99%, the maximum percentage in the current Round, its withdrawal percentage would be the lowest percentage in the next Round (6.00%).

Bidders should note that a failure to make a Final Offer and thus withdraw during a given Round is deemed to be confirmation by the Bidder that it will remain in the First Phase for the whole of the bidding increment applicable to that Round.

End of the First Phase

First Phase bidding will end when the withdrawal of a Bidder causes the number of Bidders who remain in the First Phase to be less than five (subject to tie bids – see below). The provisional Royalty Percentage applicable to the successful bidders will be the Royalty Percentage at which the highest losing Bidder withdrew (i.e. its Final Offer plus 0.01%).

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For instance, if the highest losing Bidder made a withdrawal at 6.75% (having made a Final Offer of 6.74%), the provisional Royalty Percentage applicable to the winning Bidders would be the withdrawal percentage of 6.75%.

Tie bids

Under the bidding mechanism described above, tie bids should be unlikely to occur. Bidders are strongly encouraged, when submitting their bids, not to withdraw at or near round numbers (e.g. 6.00%, or 5.99% or 6.01%), or obvious numbers (e.g. 8.88%) as this may increase the possibility of a tie. However, the choice of figure is entirely that of the Bidder. If a tie does occur, it will be resolved as follows.

If, during a given bid increment, there:

- is more than one Final Offer at precisely the same Royalty Percentage; and
- these tied Final Offers reduce the number of Bidders who remain in the First Phase to fewer than four;

then the Auctioneer will pause the First Phase. Those Bidders which have withdrawn and tied at that percentage will be given one more chance to submit a single increased Final Offer (“Revised Final Offer”). The highest Revised Final Offer they will be allowed to make will be the lower of:

- the lowest Final Offer made by any other Bidder withdrawing in that Round that is greater than the Final Offer that has created the tie bid; and
- the lowest Royalty Percentage applicable in the next Round.

For example, Bidders A, B, C, D and E are still bidding, and the increment for that Round is 6.00% to 6.99%. Bidders D and E both made a Final Offer of 6.49%. No other Bidders withdraw during that Round. Bidders A, B and C have therefore accepted that their Final Offers will be at least at the lowest Royalty Percentage in the next Round (i.e. 7.00%).

The Auctioneer will pause the First Phase, and inform both D and E that a tie bid has occurred. D and E will both be given the chance to increase their Final Offers (make a Revised Final Offer), at any mini-increment (i.e. 0.01%) between 6.49% and 7.00% (both inclusive). The highest Revised Final Offer made would determine the winner, and the provisional Applicable Royalty Percentage for the four winners of the First Phase (the Provisional Successful Bidders) will be determined as the highest losing tied Bidder’s Final Offer plus 0.01%. In the example above, if C had also made a Final Offer during that Round, for instance at 6.83%, then the maximum Revised Final Offer available to D and E would have been 6.83%. Further worked examples are provided at Appendix E.

It is possible that a tie could occur between more than two parties (e.g. from the above example, between C, D and E). In this case, the same system would be used. The winners would be those Bidders who had made the highest Revised Final Offers, and who would make the number

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of Provisional Successful Bidders up to four. The provisional Royalty Percentage applicable to the Provisional Successful Bidders would still be determined by the Royalty Percentage at which the highest losing Bidder in the First Phase withdrew.

In the event that a tie re-occurs, the winner will be selected from the tied Bidders by a random method. In such cases, the only Bidders subject to random selection will be those who had originally tied.

Ties amongst losing Bidders will not be dealt with unless it is necessary to do so as a consequence of the Second Phase. In this case, if there was a tie between the next highest Bidders who might be reactivated, the same method of tie resolution will be used, with different bid limits. In this case, the limits for the bid will be:

- a) the Royalty Percentage at which the tie occurred (the lower limit); and
- b) an upper limited based on the lower of:
 - i) the lowest Final Offer of the remaining Provisional Successful Bidders (i.e. those Provisional Successful Bidders who have not been eliminated through the operation of the Second Phase or disqualified, as the case may be); or
 - ii) the lowest Royalty Percentage applicable in the Round following the Round in which the First Phase ended.

The example at Sections E2.2 in Appendix E illustrates the above.

5.7.2 First Phase – practicalities and systems

Notification of Auction start

Following notice of pre-qualification (the “Bidder Notice”), Bidders will be sent a notification of the start of the Auction. This notice (the “Bidder Participation Notice”) could be given at the same time as the Bidder Notice. The Bidding Participation Notice, if there is a First Phase, will contain instructions on:

- the location from which the Bidder will be bidding, and the entrance to the building at which the Bidder’s Representatives must present themselves; and
- the date and period of time during which the Bidder’s Representatives must arrive at their designated entrance.

Bidders should note that the First Phase start time may take place a couple of hours after the Bidder Participation Notice has been provided. The First Phase may also take place outside of normal working hours, on a weekend or public holiday.

Auction Location

At the designated location, Government officials will accompany each Bidder’s representatives to a bidding room. The room will contain:

- the broadcast system;

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- the bidding system;
- telephones (fixed and mobile) for contact with the Auctioneer; and
- one or more timing devices.

Two Auctioneer's representatives will also be present in the bidding room.

Bidders will be limited to a maximum of eight Representatives in the bidding room. Bidders' Representatives will not be permitted to leave the bidding rooms until the First Phase bidding is completed. Visits to bathrooms will be permitted with a Government escort. Refreshments and food will be provided in the bidding room.

Bidders will not be permitted to make any communication outside the bidding room other than to the Auctioneer. Mobile phones, pagers and any other communication device will not be permitted in the room, other than those provided by the Auctioneer. Bidders' Representatives will therefore need to be fully authorised to take all necessary decisions and actions in relation to the Auction.

Bidders will be permitted to bring notebook computers into their bidding room which can be used for financial models and other documents relevant to the Auction. However, these computers may not contain any communication devices or software which would enable Bidders to communicate with person(s) outside the bidding room during the First Phase of the Auction. The Auctioneer's representatives will inspect notebook computers for such devices/software and, if such devices are found or suspected, will not allow the notebook computer to be brought into the bidding room.

Preparation for the First Phase

Before the First Phase commences the Auctioneer will provide the Bidders with an overview of the First Phase and the systems. In this simultaneous broadcast to all Bidders the Auctioneer will provide information on:

- the likely duration of each Round;
- the likely duration of inter-Round pauses;
- procedures for submitting and confirming receipt of Bidding Forms; and
- back up facilities in the event of technical difficulties.

Bidders will be given a limited opportunity to ask the Auctioneer questions. At his discretion, the Auctioneer will answer these questions over the broadcast system so that all his responses are available to all Bidders.

The Auctioneer will also run a trial Round to enable Bidders to familiarise themselves with the process and equipment before the First Phase bidding begins.

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Broadcast system and notification during the First Phase

The broadcast system will be used to communicate the following information to Bidders:

- pre-First Phase announcement;
- running of the trial Round(s);
- the start of First Phase bidding;
- the start of each Round and its duration;
- the end of the each Round;
- after the Round, notice that the Round has ended and the First Phase will be proceeding to the next Round;
- the end of First Phase bidding; and
- any other announcements to all Bidders.

The broadcast system will be a one-way speaker phone, broadcasting from the Auctioneer's room. The speaker phone will be continually switched on for the duration of bidding in the First Phase. The speaker phone in each bidding room will simultaneously receive the same broadcast from the Auctioneer. When the Auctioneer is not broadcasting, the broadcast system will intermittently broadcast a signal which will enable Bidders to know that they are still connected to the Auctioneer's room.

Broadcasting will be in English.

Bidding system

Bidders will communicate their bids to the Auctioneer via the bidding system. The bidding system will comprise:

- a fax machine connected to a dedicated fax machine located in the Auctioneer's room;
- Bidding Forms; and
- backup telephones for communications with the Auctioneer.

Once in the bidding room, Bidders will be provided with the number of a fax machine in the Auctioneer's room. The number will also be pre-programmed in the Bidder's fax machine.

During each Round (unless already withdrawn), Bidders are required to fax a Bidding Form to the Auctioneer, which must confirm that the Bidder either:

- remains in the First Phase; or
- withdraws from the First Phase at a specific percentage within that bidding increment.

In order to be valid, the Bidding Form must:

- be received by the Auctioneer within the specified time period for the Round;
- be legible and correctly filled out;

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- be signed by two authorised Representatives from the Bidder; and
- show the correct password (provided in the bidding room).

In the event that the Auctioneer does not receive a Bidding Form before the end of the time period specified for the Round, the Auctioneer will contact the Bidder to determine the reason. At his sole discretion, the Auctioneer may give the Bidder a single further period in which to make a valid confirmation or withdrawal. In the event that a valid confirmation or withdrawal is not received, the Bidder will be deemed to have remained in the First Phase for that Round and will thus not be able to withdraw until the next Round.

In the event of technical difficulties (confirmed as such by the Auctioneer's representatives in the bidding room) the Auctioneer will receive notifications, confirmations and Final Offers using the backup system (by fixed line telephone or mobile telephone).

The backup system will involve the Bidder telephoning the Auctioneer and providing details of its password and action for that Round. The Auctioneer's representatives in the bidding room will also require the relevant and duly signed confirmation or withdrawal. Technicians will be on hand to assist when there are practical difficulties.

Notification of end of the First Phase

At the end of bidding in the First Phase, each Bidder will be informed by the Auctioneer whether it is a Provisional Successful Bidder or has not succeeded. The identities of the Provisional Successful Bidders will be announced, together with the provisional Royalty Percentage established by bidding in the First Phase.

Bidders will be allowed to leave the bidding rooms at this point, once they have received consent from the Auctioneer. Bidders should note that all Representatives, including those of Bidders who have withdrawn during the First Phase, must remain in their bidding rooms until this point.

After the end of the First Phase, the Auctioneer will issue a Provisional Successful Bidder Notice to each of the Provisional Successful Bidders, containing the following information:

- the provisional applicable Royalty Percentage in respect of each Licence as a result of the First Phase; and
- the identity of the other Provisional Successful Bidders and their shareholding structures (as provided by the Bidders in their Application Forms).

Penalties

Under the terms of the Notice the Auctioneer may deduct a sum by way of a penalty from a Bidder's Deposit. As set out in the Notice the Authority may deduct a penalty if a Bidder:

- fails to attend at the designated Auction Location for the First Phase;
- fails to ensure that it is able to be contacted at all times for the purposes of the Auction;

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- leaves the bidding room without the Auctioneer's consent;
- communicates, or seeks to communicate, without the Auctioneer's consent, with any other person outside the bidding room, other than those present with the Auctioneer at the Auction Location;
- sends any form of communication to the Auctioneer during the Auction which is, in the opinion of the Auctioneer, vexatious;
- fails to submit a valid Bidding Form during each Round (unless it has previously withdrawn from the First Phase);
- submits a Bidding Form which is illegible or unclear;
- notifies the Auctioneer using a method or format not designated by the Auctioneer;
- brings into the bidding room any communication device including but not limited to mobile phones and pagers;
- destroys or uses improperly any of the equipment supplied by the Auctioneer; and
- acts, without reasonable excuse, in a manner which disrupts the procedures set out in the Notice.

For each such procedural breach of the rules, the Auctioneer intends to levy a penalty of HK\$100,000. For repeated offences, it is intended that such penalties will increase by a cumulative HK\$100,000 each time a Bidder has been subject to five penalties or a multiple of five penalties:

Table 5.3: Penalties

First five penalties (penalties one to five)	HK\$100,000 each
Second five penalties (penalties six to ten)	HK\$200,000 each
Third five penalties (penalties eleven to fifteen)	HK\$300,000 each
etc.	etc.

5.8 Second Phase

The Second Phase is intended to resolve any Connections between the Provisional Successful Bidders. The Notice defines the situations where Connections are deemed to arise between Bidders; illustrative diagrams are provided at Appendix A, A.4.

Bidders should note the confidentiality requirements set out in Section 5 of Part 6 of the Notice and Section 5.11.2 of the Memorandum.

THE AUCTION

Bidders should note that by signing the Connected Bidder Statutory Declaration the Bidder commits not to attempt to create a Connection with any other Bidder. If such a Connection was created, by the Bidder or its controlling shareholders, the Bidder would be in breach of the Auction rules and the TA would have the right to expel the Bidder from the Auction and to confiscate that Bidder's Deposit.

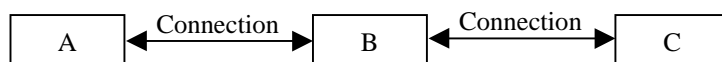
5.8.1 Second Phase - principles

During the Second Phase, Connections between the Provisional Successful Bidders from the First Phase will be resolved. Connected Bidders will be required either to:

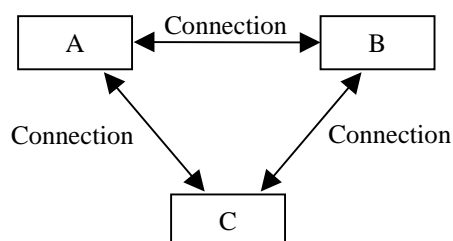
- commit to remove the Connection, and provide the Irrevocable Undertaking in the form set out at Appendix 6 of the Notice (whereupon they will no longer be Connected Bidders for the purposes of the Auction rules); or
- bid against each other, by way of a single sealed bid expressed in a cash sum payable on licensing, to remain in the Auction.

It is not expected that Second Phase bidding will be required in the Auction.

In order to accommodate all possible situations, the rules have been drafted as if any number of Provisional Successful Bidders could be Connected, in any configuration of multiple Connections. These Connections could arise, for example, if Bidder A is Connected to Bidder B and Bidder B is Connected to Bidder C, but Bidders A and C are not Connected:



Alternatively, each of Bidders A, B and C could be Connected to the other two Bidders.



Illustrative diagrams of the meaning of “Connected” can be found at Appendix A, although Bidders should refer to the definitive drafting in the Notice. Illustrative examples of the functioning of Second Phase bidding where more than two Bidders are Connected, are provided in Appendix E.2.4.

Irrevocable Undertaking

The Irrevocable Undertaking to disconnect must be provided by the party (or parties) which create or control the Connection or whose co-operation or agreement is required to implement the relevant disconnection. If the Irrevocable Undertaking is provided within the required period, the relevant Bidders will no longer be considered to be Connected Bidders for the purposes of the Auction and will be allowed to proceed to the Third Phase. The Irrevocable Undertaking commits these parties to:

- remove the Connection within six months of the date on which the relevant Bidders receive the Third Phase Notice;
- co-operate fully and in all ways with any reasonable enquiries and provide such evidence as the TA may require to establish compliance with the Irrevocable Undertaking; and
- not seek to re-establish the Connection in any way within six months of the disconnection.

Failure to comply with the Irrevocable Undertaking may lead to revocation of both Licences. If a Licence is revoked the TA may also call on the Performance Bond provided by each Licensee.

Bidding

If the Irrevocable Undertaking is not provided within the required period, the Connected Bidders will be required to compete against each other in a “Sub-Auction” by submitting a single sealed bid, expressed as a cash sum payable on the day of grant of the Licence.

The minimum bid in Second Phase bidding is the Second Phase Reserve Price, which has been set by SITB at HK\$0. Bids may be in any amount of Hong Kong dollars and whole cents (i.e. bids may be made down to the individual cent) at or above the Second Phase Reserve Price. As for the First Phase, Bidders are strongly recommended not to bid at round or obvious numbers.

If a Bidder fails to provide a bid by the relevant deadline, it will be deemed to have made the lowest bid and such lowest bid shall be equal to the Second Phase Reserve Price.

Selection of winners of Second Phase bidding

Following receipt of bids, the Auctioneer will determine which of the Connected Bidders may remain in the Auction, and which are to be eliminated. The Connected Bidders who shall remain in the Auction shall be considered in the following order:

- a) first, the Connected Bidder which made the highest bid (the “Highest Connected Bidder”); and
- b) secondly, the Bidders (if any) who, considered by the Auctioneer in the order of highest to lowest bids made in the Sub-Auction, are
 - i) not connected to the Highest Connected Bidder; and
 - ii) not Connected Bidders in relation to any Bidders previously determined as falling within i) above.

THE AUCTION

This is illustrated in the examples in Appendix E.2.4.

Tie bids

The only time when the Auctioneer is unable to determine which Connected Bidders should go forward into the Third Phase from the ordering set out above will be when two or more Connected Bidders make the same bid (i.e. make a tie bid). In such cases, the Auctioneer will allow such tied Bidders to make an additional bid. However, this will only be required where it is necessary to break the tie in order to determine which Bidder or Bidders should be taken forward.

For instance, if there are two Connected Bidders in a larger grouping of Connected Bidders and:

- a) both make the same bid, which is the highest bid; and
- b) they are not connected to each other; then

both will automatically be taken forward without needing to bid again. The tie did not need to be resolved. If these two Bidders had been Connected, it would only be possible to take one of them forward, and the tie would need to be broken.

In such cases, each Bidder will be given the opportunity to make a further bid, additional to its original Second Phase bid. These new bids will be used to establish the priority for consideration for entry into the Third Phase. However, these additional bids will only establish the ordering between the tied Bidders. They will not affect the ordering of other Bidders established by the first set of bids in the Sub-Auction, even though the second set of bids may lead to those Bidders increasing their bids over other non-tied Bidders in the Sub-Auction.

Failure to submit a further bid will be deemed to be a further bid of HK\$0. If this mechanism fails to resolve the tie, then a random method will be used to establish the ordering between the tied Bidders. Notwithstanding that a tie bid might ultimately be resolved through a random method, all winning bids made in the Second Phase remain payable by those Bidders who are taken forward to the Third Phase.

Consequences of bidding

An inevitable consequence of bidding is that the number of provisional winners will be reduced to less than four. In these circumstances, the next highest losing Bidder from the First Phase will be reactivated and brought into the Second Phase. All bids from the First Phase remain valid until the end of the Second Phase.

The reactivated Bidder will need to go through the same procedures as the previous provisional winners to establish whether it is Connected with any of the other Provisional Successful Bidders. If a Connection is established, then both Bidders will need to provide the Irrevocable Undertaking, or the reactivated Bidder will be dismissed from the Auction. It will not be permitted to participate in the Second Phase bidding.

Once the Second Phase has established which four un-connected Bidders are provisionally entitled to a Licence, the Royalty Percentage applicable

to all Licensees will be determined by the new highest loser from the First Phase (its Final Offer plus 0.01%). Where there is no new fifth highest Bidder, the Applicable Royalty Percentage will be the First Phase Reserve Price.

5.8.2 Second Phase - practicalities and systems

Timing

Within three Business Days of the Provisional Successful Bidder Notice, each of the Provisional Successful Bidders must confirm to the Auctioneer that the declaration made in its Connected Bidder Statutory Declaration remains true and accurate in all respects. If it is not able to give that confirmation, it shall provide details of any Provisional Successful Bidder to whom it is Connected.

If no Connections exist between any of the Provisional Successful Bidders, the Auction will proceed directly to the Third Phase. If a Connection does exist, the Auctioneer will issue a Second Phase Notice which shall set out the:

- Auction Location for the Second Phase;
- date and time at which the Second Phase shall start; and
- the period of time for the Second Phase.

If bidding has been necessary to resolve a Connection and it is therefore necessary to reactivate a Bidder from the First Phase, the process outlined above will be repeated. Following the re-activation of a Bidder, the ownership information submitted in that Bidder's Application Form will be circulated to the other remaining Provisional Successful Bidders, and vice versa. If Connections are identified with the reactivated Bidder, the reactivated Bidder must provide the Irrevocable Undertaking within two Business Days after the date of the Revised Provisional Successful Bidder Notice in order to proceed to the Third Phase. A period will be set for provision of Irrevocable Undertakings. Otherwise, the reactivated Bidder will be automatically eliminated from the Second Phase without an opportunity to make a bid in the Second Phase.

When the Second Phase has been completed, the Auctioneer will issue a Third Phase Notice setting out the:

- identities of the Bidders who will now go forward to the Third Phase (the Third Phase Bidders); and
- details of the Third Phase.

Systems

In his notifications to the Bidders (the Second Phase Notice), the Auctioneer will inform the relevant Bidders of the Auction Location from which any certification, Irrevocable Undertaking or bid should be submitted, together with the relevant deadlines.

THE AUCTION

Penalties

The Auctioneer may impose a penalty on a Bidder for similar breaches of the rules as described in Section 5.7.2 (penalties).

As for the First Phase, penalties in the Second Phase for each such procedural breach shall be HK\$100,000 and they will also increase by HK\$100,000 per penalty for each multiple of five penalties incurred. Any penalties incurred before the Second Phase will apply for the purposes of determining any such increase.

5.9 Third Phase

The Third Phase allocates specific Licences to the Bidders brought forward from the First and Second Phases, now referred to as Third Phase Bidders, that have been selected from the First Phase and the Second Phase.

5.9.1 Third Phase – principles

In the Third Phase, the Third Phase Bidders must submit a single sealed bid, expressed as a cash sum payable on licensing. Bidders will pay their actual bid on grant of Licences.

The minimum bid in the Third Phase is the Third Phase Reserve Price, which has been set by SITB at HK\$0. Bids may be in any amount of Hong Kong dollars and whole cents (i.e. bids may be made down to the individual cent) at or above the Third Phase Reserve Price. As in the First and Second Phases, Bidders are recommended not to submit bids at round or obvious numbers. Failure to submit a bid will be treated as having made the lowest bid and such lowest bid shall be equal to the Second Phase Reserve Price.

Bidders will then be allowed to choose Licences, in descending order of the bids (i.e. the highest Bidder chooses first, then the second). In the event that a Bidder does not select a Licence on its turn to choose, the next Bidder will be given the choice. If the next Bidder makes a choice, the order of choosing will revert to the highest Bidder who has yet to make a choice. For example:

Bids rank four Bidders in descending order P, Q, R and S. As highest Bidder, P is given first choice.

Table 5.4: Third Phase Licence Selection

Bidder	Action	Consequence
P	Chooses Licence B	Next choice given to Q
Q	Does not choose	Next choice given to R
R	Chooses Licence A	Next choice reverts back to Q (as the highest Bidder who has yet to make a choice)
Q	Chooses Licence C	S, as lowest Bidder, automatically receives the remaining Licence (Licence D)

THE AUCTION

If a Bidder makes no choice at all during the selection process (i.e. continuously refuses to make a choice when repeatedly offered), it will automatically be allocated the last remaining Licence. If more than one Bidder behaves in this fashion, the remaining Licences will be allocated to those Bidders by a random method.

Tied bids

In the event that two Bidders make the same bid in the Third Phase, the same process for resolving these ties will be used as in the Second Phase. Again, the additional bid will only serve to determine the ordering as between the Third Phase tied Bidders and will not affect the ordering of those who did not make tied bids. If this mechanism fails to resolve a tie bid, a random method will be used in order to determine the order in which Bidders may choose a Licence. As in the Second Phase, failure to submit a further bid will be treated as a further bid of HK\$0.

5.9.1.1 Third Phase – practicalities and systems

Timing

After (or at the same time as) notification of the end of the Second Phase, the Auctioneer will issue a Third Phase Notice, setting out the:

- identity of all Third Phase Bidders;
- Auction Location for the Third Phase; and
- date and time on which the Third Phase will start.

It is intended that the Third Phase will be run from a single location, which all Bidders will be required to attend. Bidders will be first asked to submit their bids for the Third Phase, using the relevant Bidding Form. The Auctioneer will then inform the Bidders of the order established by the Third Phase bids, and will invite each Bidder in turn to choose a Licence, using the appropriate Bidding Form.

Bidders will be required to remain at the designated Auction Location for the duration of this process. It is expected that the entire process of bid submission and choosing of Licences is unlikely to take more than a few hours.

Systems

Bidding and choice of Licence will be made using the appropriate Bidding Forms. Information will be given to Bidders during this process orally or on paper.

Penalties

The Auctioneer may impose a penalty on a Bidder for any of the breaches of the rules set out in Section 5.7.2 (penalties) during the Third Phase.

As for the First and Second Phases, each penalty in the Third Phase for such procedural breaches will be HK\$100,000 - they will also increase by HK\$100,000 per penalty for each multiple of five penalties incurred. Any penalties incurred before the Third Phase will apply for the purposes of determining any such increase.

THE AUCTION

5.10 Grant of Licences

Within two Business Days of receipt of the Provisional Successful Bidder Notice or the Revised Provisional Successful Bidder Notice as the case may be, Bidders must inform the TA whether they are subject to any shareholder approval that was not obtainable in advance of the Auction. If the Bidder is subject to a shareholder approval, it must obtain the necessary approval or waiver within 10 Business Days of the issue of the Third Phase Notice (i.e. the period begins before the Third Phase has been completed, as Bidders will by then know that they have been successful in the Auction).

The TA will grant a Licence to a Third Phase Bidder after the Bidder has confirmed either that it is not subject to any shareholder approval or, if it had been subject to such approval, that the approval has been obtained. The TA will give Third Phase Bidders at least three Business Days' notice of the date of grant of its Licence.

5.10.1 Duties of Bidders on grant of Licences

On grant of a Licence, the Bidder must provide to the Government:

- the Performance Bond, in the amount of the first five years' annual Spectrum Utilization Fees (which will be the first five years' Minimum Annual Fees);
- any cash payment arising from the Second Phase of the Auction; and
- any cash payment arising from the Third Phase of the Auction.

Further, if a Bidder is a 2G Operator, or is controlled by, controls or is under common control with, one or more 2G Operators, the Bidder must provide the relevant 2G Operator's 2G Licence or 2G Licences to the TA for amendment to incorporate the Domestic Roaming Condition.

The cash payments shall be netted against the amount of the Deposit (less penalties) if it had been provided in cash, together with any interest earned, held by the TA at the end of the Auction. Therefore, the Bidder need only provide any additional amount. If the Deposit was provided as a Letter of Credit, the Bidder must pay to the TA the sum of all Penalties incurred by the Bidder and the amount bid in the Second Phase and the Third Phase or the TA will enforce the Letter of Credit in an appropriate amount.

5.11 Activity rules

5.11.1 Collusion and manipulation of the Auction

Bidders and their Insiders must not attempt to collude or to manipulate the course of the Auction. Bidders should also note that any action in relation to the Auction which would breach the provisions of the Prevention of Bribery Ordinance (Cap. 201) is also a breach of the Activity Rules.

5.11.2 Confidential Information and confidentiality

The Bidder and its Insiders must not convey or attempt to convey Confidential Information (as defined in the Notice) to any other Bidder or that Bidder's Insiders, in any form or under any circumstances.

Bidders are also required to not make public or convey to any other Bidder or any other Bidder's Insiders the following information:

- before the end of the Second Phase, the Royalty Percentage at which the Bidder withdrew from the First Phase (unless already published by the Auctioneer); and
- any information provided to them during the course of the Auction that the Auctioneer requires should be kept confidential.

This requirement applies to both successful and unsuccessful Bidders. Except as permitted in the Notice, Bidders and their Insiders shall keep confidential their participation or interest in the Auction.

5.11.3 Directors and employees

If any person who is a director, employee or agents of a Bidder or any person who is an Insider in relation to the Bidder is also a director, or employee, of another Bidder or any person who is an Insider in relation to any other Bidder, the Bidder must ensure that the person:

- does not take part in preparing both Bidders for participation in the Auction;
- is not in possession of, and does not receive, Confidential Information relating to both Bidders; and
- does not pass Confidential Information relating to one Bidder to another Bidder or its Insiders either before or during the Auction.

5.11.4 Anti-competitive activity

None of a Bidder nor its Insiders may enter into, or permit to subsist, any agreement, arrangement or understanding with an equipment provider or software supplier which:

- places, or would place, any restriction on the supplier as to the quantities of equipment or software which it supplies or offers to supply to another Bidder for the purposes of planning, building or operating a network which is to be operated in accordance with one of the Licences; or
- places, or would place, any restriction as to the prices or other terms and conditions on which that equipment or software is supplied or offered to be supplied for the purpose referred to above to any other Bidder.

THE AUCTION

5.11.5 Ownership rules

The ownership rules are intended to govern the treatment of closely related Bidders in the Auction, so as to ensure that successful Licensees are independent, so as to preserve competition in the market for mobile services. They are also intended to govern the manner in which 2G Operators, or their commercial groups, may co-operate to enter the Auction.

The basic principles are that:

- Bidders must not be under common control at any time during the Auction process. If they are under common control when applications are submitted, none of the Bidders will be pre-qualified;
- Bidders should not be Connected. Bidders in such situations are required under the Auction rules to either disconnect, or to bid against each other so that there are no Connections between the ultimate Licensees; and
- Bidders must also ensure that they, and their shareholders, have not taken any steps deliberately to arrange for, or assist in arranging, a Connection with any other Bidder.

Bidders should note the Connected Bidder Statutory Declaration attached at Appendix 3 of the Notice, which must be provided with the Application. The declarations contained therein must remain true and correct for the duration of the licensing procedure.

5.11.6 Changes to Bidders' ownership structures

Bidders' shareholding structures are not allowed to change during the Auction, unless the change is as a result of a person ceasing to be a shareholder (direct or indirect) in the Bidder, or such changes that are not related to the Auction and bidding for a Licence.

5.11.7 Advisers to the Government

Bidders and their Insiders must not take advice in relation to the Auction from any of the Government's advisers:

- N M Rothschild & Sons;
- Allen & Overy;
- Quotient Communications Limited;
- Spectrum Strategy Consultants; and
- ELSECo.

5.12 Deposits and interest

Cash or letter of credit

On submission of Applications and as a condition of pre-qualification, Bidders must provide a Deposit of HK\$250 million. The Deposit can either be in cash, or a letter of credit issued by a Qualifying Bank.

THE AUCTION

Bidders should note that in the case of cash, the Deposit will only be deemed to have been provided when received in cleared funds in the account of OFTA.

Remaining Deposits will be returned (subject to any deductions for penalties) at three points:

- a) when a Bidder fails to pre-qualify;
- b) if the Bidder has pre-qualified but has not been successful at the end of the Second Phase; or
- c) when a successful Bidder takes up its Licence.

Disqualified Bidders' remaining Deposits, if any, will be returned at the first of the three points described above which occurs.

In each case, the TA will notify the Bidder in writing and the Deposit, if in cash, will only be returned to the Bidder at the end of the current period for which it is on deposit. The letter of credit will be released as soon as practicable.

In the event that penalties have been deducted, only the balance of the Deposit will be returned. In the case of letters of credit, the TA will draw the relevant amount under the letter of credit.

Interest on Cash Deposits

OFTA will invest the cash deposits for given periods at the rates offered by its Banks, and the need to be able to return the Deposits at the appropriate time. Deposits will probably be rolled over on a weekly or fortnightly basis, or such shorter period as required so that they may be available for rapid return to Bidders.

However, the Bidders should note that, notwithstanding the above, OFTA will retain the discretion to invest any sums for any period between one and 31 days.

Interest earned on Deposits will be returned to Bidders with the Deposit. Bidders should note that, where a penalty is deducted during the course of the Auction, that portion of the deposit will not receive any interest.

APPLICATION INSTRUCTIONS

6 APPLICATION INSTRUCTIONS

Applications must be submitted in English, deposited in tender boxes made available between 9.00a.m. and 5.00p.m. on 17 September 2001 and between 9.00a.m. and 5.00p.m. on 18 September 2001 (the Application Dates) at either of the following addresses:

Office of the Telecommunications Authority
29/F, Wu Chung House
213 Queen's Road East
Wanchai
Hong Kong

Information Technology and Broadcasting Bureau
2nd Floor
Murray Building
Garden Road
Central
Hong Kong

It is the responsibility of the Bidder to ensure that its Application is placed in the appropriate tender box by their chosen means of delivery (e.g. by hand, by courier). Government staff at the relevant locations will not perform this role: it must be done by the person delivering the Application.

The TA may notify later dates for the submission of Applications on the OFTA website. This notification will only be made, at the latest, up to two business days before the date specified above. Also, if it is not physically possible to deliver or receive the Application, the TA, in his absolute discretion, may change the location, the date or the time for submission of Applications, all of which shall be notified on the OFTA website.

Applications must be sealed in non-transparent envelopes, together with the letter of credit or a written notification setting out all details and evidence of the cash Deposit made by the Bidder, and must be marked:

For the attention of the Telecommunications Authority

No other marking should appear on the envelope.

Applications should contain all information and supporting documents requested in the Application Form instructions.

By 4.00p.m. on the last of the Application Dates, the Bidder must also have transferred the Deposit (if paid in cash) so as to have been received in clear funds in either of the Authority Accounts:

APPLICATION INSTRUCTIONS

- a) **Bank:** Bank of China Hong Kong Branch
Ground Floor, Wu Chung House
213 Queen's Road East
Wanchai
Hong Kong
- Account Name:** Office of the Telecommunications Authority
Account Number: 012-899-1-003883-3
- b) **Bank:** The Hongkong and Shanghai Banking Corporation Limited
Hopewell Centre Branch
183 Queen's Road East
Wanchai
Hong Kong
- Account Name:** Office of the Telecommunications Authority
Account Number: 004-048-3-037990

The payment should be accompanied with a unique identifier consisting of the registered name of the Bidder.

CONTACTS AND FURTHER INFORMATION

7 CONTACTS AND FURTHER INFORMATION

7.1 Contacts for enquiries

Any further enquiries relating to the Memorandum and the Auction process should be addressed in writing and sent to the Authority, who will be the central point of contact for the Government. Enquiries should be sent by post, fax or e-mail to the following contact address or number:

Office of the Telecommunications Authority
29/F, Wu Chung House
213 Queen's Road East
Wanchai
Hong Kong

Fax number: +852 2803 5112

E-mail: 3g-application@ofta.gov.hk

All questions should be marked:

Hong Kong Spectrum Auction Question

The question should identify the person asking the question and the organisation that that person represents. It should also provide contact details, other than e-mail addresses (i.e. postal address, fax number, telephone number).

7.2 Disclosure for further information

From the date of issue of the Memorandum, the TA has the discretion to publish further information and to publish questions and the answers provided. The TA may, however, exercise his discretion not to publish a particular question and answer, in whole or in part. He will also reserve the right not to respond to any question. The identity of those asking questions will not be published without the questioner's permission. Bidders should note the provisions of the Notice in relation to questions on Applications (Sections 2.1.9 and 2.1.10) and publication of information provided to the TA (Sections 7.1.9 and 7.1.10).

Further information will generally be made available on the OFTA website. Parties wishing to receive notifications that additional information has been posted on the website should register with OFTA on the OFTA website (using the 3G icon). Whenever new information concerning the Auction is posted on the website, those people who have registered will be notified by e-mail that new information has been made available.

7.3 Additional copies of the memorandum

Copies of this document can be downloaded from the OFTA website. Printed copies of this Memorandum are also available at the address set out above in Section 7.1 for HK\$80 per copy (payable in cash only).

Appendix A. ILLUSTRATIONS OF OWNERSHIP RULES

A.1 Introduction

The ownership rules for the Auction are used to establish and govern three specific sets of circumstances:

- whether Bidders are under common control;
- whether Bidders are Connected with each other; and
- whether a Bidder is related to two or more 2G Operators, and thus must have received TA's consent to the arrangement in advance of submitting an Application.

These are dealt with in the following Sections.

A.2 Bidders under common control

If a Bidder controls another Bidder, or is under common control with another Bidder, neither of them shall be pre-qualified. The Notice defines control as follows:

“a body corporate is controlled by a person if:

- (i) he has a controlling interest in it;
- (ii) he has a controlling interest in a body corporate which has a controlling interest in the body corporate; or
- (iii) although he does not have such an interest in the body corporate, or in any body corporate with a controlling interest in the body corporate, it is reasonable, having regard to all the circumstances, to expect that he will be able, by whatever means and whether directly or indirectly, to achieve the result that the affairs of the body corporate are conducted in accordance with his wishes,

and, for this purpose, a person has a controlling interest in a body corporate if he holds, or is beneficially entitled to, or has the right to acquire or subscribe for, 50 per cent. or more of the share capital in the body corporate, or possesses, or has a right to acquire, 50 per cent. or more of the voting power in it and a person shall be deemed to control a body corporate where that person controls another person which controls that body corporate;”

A.3 Further definitions

There are a number of permutations in which two parties can be linked together through some element of common ownership. The Notice defines specific forms of ownership arrangement or influence over a party which are summarised below:

Control

The ability to control a party is as set out above in A.2.

APPENDIX A

Participation

The possession of a direct ownership interest in a body corporate, which is defined in the Notice as:

“in relation to a body corporate a holding or a beneficial entitlement to shares in that body corporate, a right to acquire or subscribe for shares in that body corporate, the possession of voting power in that body corporate, or the right to acquire voting power in that body corporate other than:

- (a) a holding or beneficial entitlement which is less than 15% of the issued share capital of that body corporate;
- (b) a right to acquire or subscribe for those shares which, together with any existing holding or beneficial entitlement, represents or would represent less than 15% of the issued share capital of that body corporate;
- (c) the possession of voting power in respect of less than 15% of the issued share capital of that body corporate; and
- (d) a right to acquire that voting power which, together with any existing voting power, represents less than 15% of the issued share capital of that body corporate.”

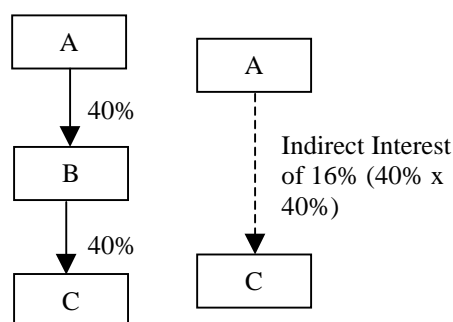
Indirect Interest

The possession of an ownership interest in a body corporate through one or more intermediate bodies, which is defined in the Notice as:

“an indirect interest whether legal or equitable held by a person (the “first person”), through one or more bodies corporate, in the shares of another body corporate (the “second person”), such that the percentage interest attributable to the first person in the shares of the second person is equal to 15% or more and, for this purpose the first person, and every body corporate controlled by the first person, shall be treated as one person;”

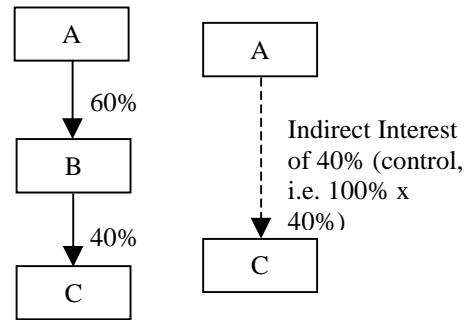
and

“for the purpose of the definition of “Indirect Interest” [], the percentage interest attributable to the first person in the shares of the second person shall be calculated by multiplying together the respective percentage interests of the first person, and of each body corporate in the chain of ownership which gives the first person an Indirect Interest in the shares of the second person, in the shares of the second person or of another body corporate in that chain of ownership (as the case may be),”



and

“The percentage interests referred to [above] shall, in each case, be calculated in the same manner as is prescribed for calculating the percentage interest of a Participation in the shares of a body corporate [], save that a percentage interest or other arrangement which gives a person control in a body corporate shall for this purpose be treated as a percentage interest of 100%.”



Bidders should note that the Notice contains other specific provisions governing the treatment of various types of ownership, including conditional interests, beneficial interests, interests held via nominees, and so forth.

These terms are then used to define two forms of wider ownership interest, depending on the party in whom the interest is held:

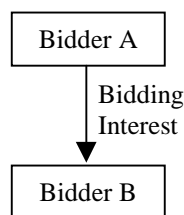
- a) “**Bidding Interest**” means a Participation or Indirect Interest in, or control of, a Bidder; and
- b) “**2G Interest**” means a Participation or Indirect Interest in, or control of, a 2G Operator.

These terms are then used to define, with relative simplicity, whether Bidders are Connected, or whether a Bidder is sufficiently closely related to two or more 2G Operators to require TA’s advance permission to the arrangement.

A.4 Connected Bidders

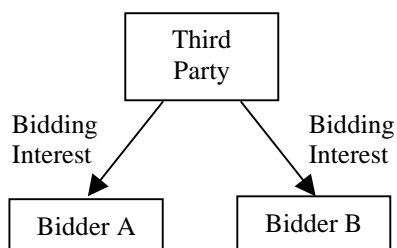
“**Connected Bidder**” means a Bidder that is closely connected to another Bidder and, for these purposes, a Bidder (Bidder A) is a Connected Bidder in relation to another Bidder (Bidder B) only if:

- a) it holds a Bidding Interest in Bidder B;

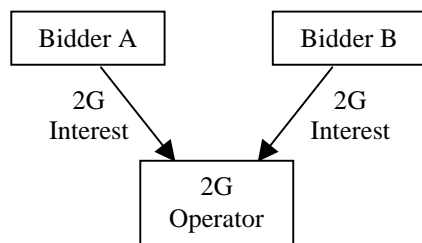


APPENDIX A

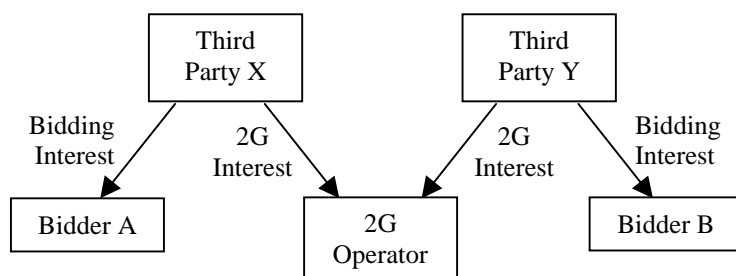
- b) a person who is not a Connected Bidder in relation to Bidder A or Bidder B holds a Bidding Interest in Bidder A and Bidder B; or



- c) Bidder A, or a person with a Bidding Interest in Bidder A, and Bidder B, or a person with a Bidding Interest in Bidder B, both have a 2G Interest in the same 2G Operator;



or

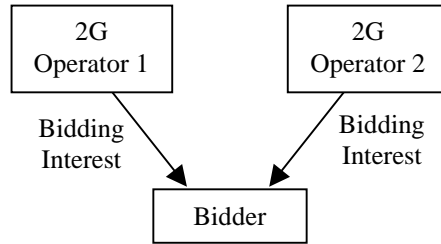


A.5 Joint bids by 2G Operators

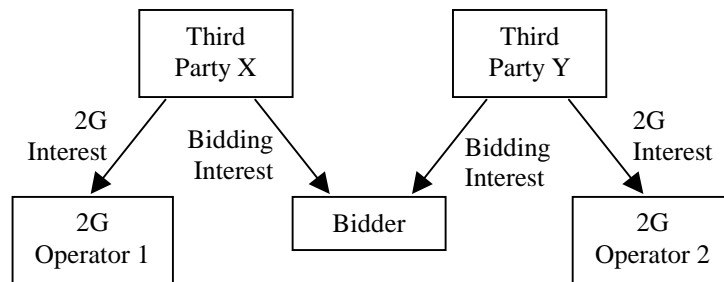
2G Operators who wish to co-operate and bid together in the auction must obtain the TA's consent to any such arrangement in advance. In the Notice, a group of a Bidder and more than one 2G Operator is defined as a "2G Bidding Group":

"2G Bidding Group" means a group where there is at least:

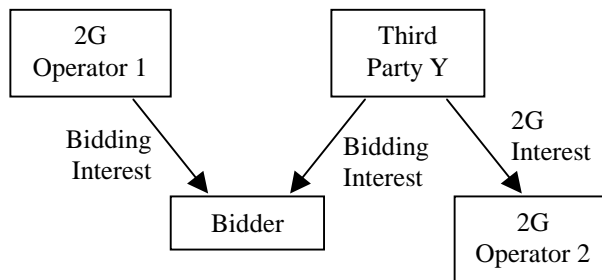
- a) two 2G Operators which each have a Bidding Interest in the same Bidder;



- b) a person which is not a Bidder nor a 2G Operator (a “Third Party”) which has a Bidding Interest in any Bidder and a 2G Interest in any 2G Operator and another Third Party which has a Bidding Interest in the same Bidder and a 2G Interest in a different 2G Operator;

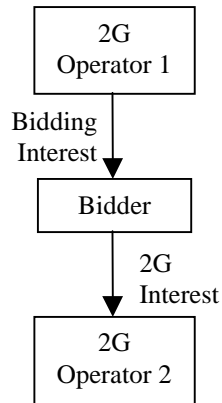


- c) a 2G Operator and a Third Party which each has a Bidding Interest in the same Bidder and that Third Party has a 2G Interest in another 2G Operator;

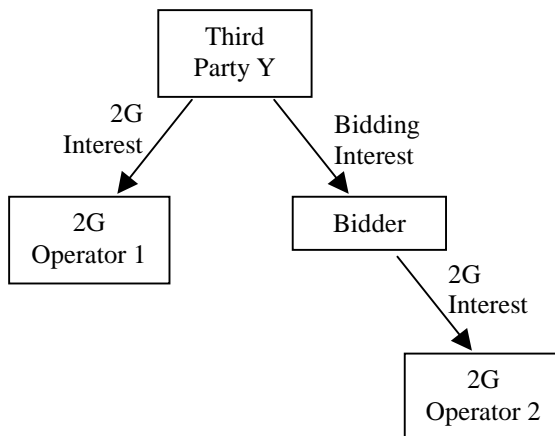


- d) a 2G Operator which has a Bidding Interest in any Bidder which has a 2G Interest in another 2G Operator;

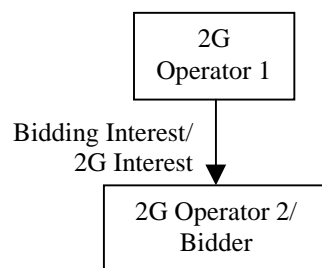
APPENDIX A



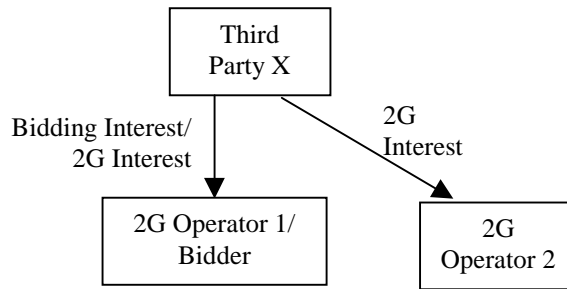
- e) a Third Party which has a Bidding Interest in any Bidder and a 2G Interest in any 2G Operator where that Bidder has a 2G Interest in another 2G Operator;



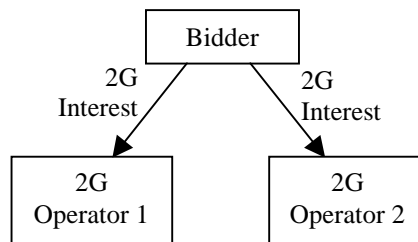
- f) a 2G Operator which has a Bidding Interest and a 2G Interest in any Bidder which is also a 2G Operator;



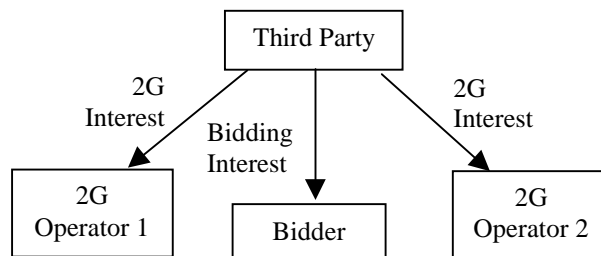
- g) a Third Party which has a Bidding Interest and a 2G Interest in any Bidder which is also a 2G Operator and a 2G Interest in another 2G Operator;



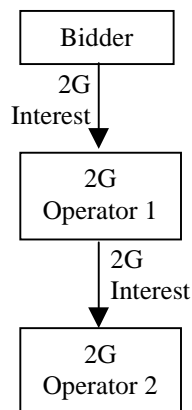
h) a Bidder which has a 2G Interest in two or more 2G Operators;



i) a Third Party which has a 2G Interest in two 2G Operators and a Bidding Interest in any Bidder;



j) a Bidder which has a 2G Interest in any 2G Operator which has a 2G Interest in another 2G Operator; or



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- k) a Bidder and two or more 2G Operators which may also include one or more Third Parties where there exists more than one:
 - i) Bidding Interest in relation to that Bidder; or
 - ii) 2G Interest in relation to any or all of the 2G Operators.

[No diagram is provided for k)]

Appendix B. THE HONG KONG TELECOMMUNICATIONS MARKET

B.1 The Hong Kong economy

B.1.1 Introduction

Situated at the south-eastern coast of China, Hong Kong is ideally positioned at the centre of East Asia, one of the world's most dynamic regions. With a total land area of just under 1,100 square kilometres, it covers Hong Kong Island, the Kowloon peninsula and the New Territories. As seen in Table B1 below, in 2000, Hong Kong was ranked sixth in terms of Gross Domestic Product (GDP) among the Asian economies.

Table B1: GDP, Asian Economies, 2000 (US\$bn, current prices)

Rank	Economy	GDP
1	Japan	4,760
2	Mainland China	1,080
3	India	474
4	South Korea	457
5	Taiwan	310
6	Hong Kong	163
7	Indonesia	154
8	Thailand	122
9	Singapore	92

Source: International Monetary Fund

Table B2 summarises the key Hong Kong economic indicators in 2000. Of particular note was the swing of the current account balance from a deficit of HK\$47.7 billion (3.6% of GDP) in 1997 to a surplus of HK\$30.2 billion (2.4%) in 1998, HK\$89.1 billion in 1999 and further to HK\$68.8 billion (5.4%) in 2000. This performance was largely due to sustained increases in invisible trade surpluses over the period.

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Table B2: Hong Kong Key Economic Indicators, 2000

Population	6.87 million
Total Area	1,098 sq km
Gross Domestic Product	HK\$1,267 billion
Per capita Gross Domestic Product	HK\$186,396
Real GDP Growth	10.5%
Unemployment Rate	5.0%
Consumer Price Inflation	-3.7%
Current Account Balance	5.4% of GDP

Source: Census and Statistics Department of Hong Kong

B.1.2 Gross domestic product by sector

Hong Kong has shifted from a manufacturing towards a service-oriented economy in the past years. Table B3 shows that in 1999 the contribution of services to GDP increased to a combined 85.4% while that of the manufacturing sector shrank to 5.7%.

Table B3: Contribution to GDP, by Sector 1999

Sector	Contribution to GDP %
Agriculture & Fishing	0.1%
Manufacturing	5.7%
Electricity, gas & water	3.0%
Construction	5.8%
Wholesale, retail and import/export trades, restaurants & hotels	25.2%
Transport, storage & communications	9.6%
Financing, insurance, real estate & business services	23.2%
Community, social & personal services	21.5%
Ownership of premises	14.1%
Adjustment for financial intermediation services indirectly measured	-8.2%
Total	100.0%

Source: Census and Statistics Department of Hong Kong

B.1.3 Population distribution

In recent years there has been a marked shift in the population away from the overcrowded urban areas to the New Territories. This population shift reflects the Government's policy of developing new towns in the New Territories. With a land area of only 1,098 square kilometres, Hong Kong is one of the most densely populated places in the world. Reflecting this, overall population density was 6,310 people per square kilometres in 2000, ranging from 44,210 people per square kilometres in Kowloon to 3,520 people per square kilometres in the New Territories and outlying islands.

APPENDIX B

Table B4: Mid-Year Population in Main Areas, 2000 ('000)

District Council District	Population ('000)
Hong Kong Island	
Central & Western	274.4
Wanchai	190.3
Eastern	620.7
Southern	282.4
<i>Sub-total</i>	1,367.8
Kowloon	
Yau Tsim Mong	295.7
Sham Shui Po	372.2
Kowloon City	406.0
Wong Tai Sin	432.4
Kwun Tong	564.7
<i>Sub-total</i>	2,071.0
New Territories	
Kwai Tsing	474.6
Tsuen Wan	290.5
Tuen Mun	478.6
Yuen Long	447.7
North	294.2
Tai Po	321.5
Sha Tin	625.3
Sai Kung	316.0
Islands	87.8
<i>Sub-total</i>	3,336.2
Land Total	6,775.0
Marine Population	6.4
Vietnamese Migrants	0.7
Total Population	6,782.1

Source: "Population and Household Statistics Analysed by District Council District 2000" by Census and Statistics Department of Hong Kong

B.2 The Hong Kong telecommunications market

With a mobile penetration rate of 80%⁵, the Hong Kong cellular market is one of the most active as well as competitive. The market has six incumbent operators, being Hutchison Telephone Company Limited, Hong Kong CSL Limited (formerly Cable and Wireless HKT CSL Limited), SmarTone Communications Limited, Mandarin Communications Limited (SUNDAY), New World PCS Limited and Peoples Telephone Company Limited, confined to a market with a population of approximately 7 million.

Despite a saturated voice market, Hong Kong remains a strategically important footprint for a pan-Asian mobile network. Its technologically literate population offers an excellent testing ground for mobile data services in greater China and the rest of Asia.

Three of the incumbent operators entered the market a number of years ahead of their other competitors, two of which are backed by some of the most influential Hong Kong conglomerates. Three years after the entry of the newer operators in 1997, the earlier three still control an estimated 71% of the market to date.

Table B5 illustrates some key Hong Kong telecommunications statistics. Hong Kong telecommunications revenue totalled HK\$55.4 billion in 1999, of which HK\$17.1 billion (or 31%) came from mobile telephony.

Table B5: Latest Telecommunications Indicators as of April 2001 unless otherwise indicated

Main lines in operation	3.928 million
Lines per 100 population	57%
Digitalisation	100% since 1993
Mobile phone subscribers	5.502 million
Mobile phone subscribers per 100 population	80%
Telecommunications Revenue (1999)	US\$7.1 billion

Source: OFTA website 'Telecommunications Indicators in Hong Kong'

Further information on the Hong Kong telecommunications market can be found through the OFTA website.

⁵ Based on total number of mobile customers of 5.5 million as of the end of April 2001, including 4.3 million registered customers and 1.2 million pre-paid SIM customers.

APPENDIX B

B.3 The Hong Kong mobile telecommunications market

B.3.1 Overview of the Hong Kong mobile telecommunications market

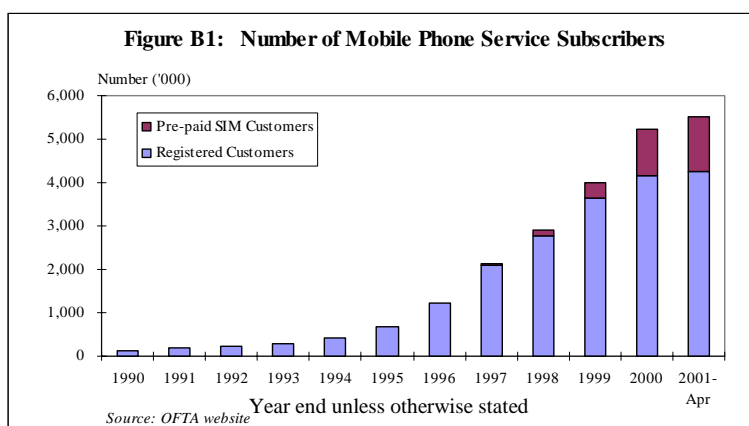
Table B6 gives the key dates in the development of mobile services in Hong Kong. The first service, an analogue service, was launched in the mid-eighties. As of the end of April 2001, there were about 5.5 million mobile customers, including 4.3 million registered customers and 1.2 million pre-paid customers, representing 80% of the population.

Table B6: Key Network Launches Dates

Oct 1992	CSL DAMPS
Jan 1993	SmarTone GSM 900
July 1993	CSL GSM 900
Jun 1995	Hutchison GSM 900
Oct 1995	Hutchison CDMA
Jan 1997	Peoples Telephone GSM 1800
Mar 1997	Hutchison GSM 1800
Mar 1997	New World PCS GSM 1800
Jun 1997	Sunday GSM 1800
Jun 1997	SmarTone GSM 1800
Jul 1997	CSL GSM 1800

Source: OFTA website

The following graph (Figure B1) shows the number of mobile service subscribers in Hong Kong by customer type:



B.3.2 Paging

Paging entered the mainstream consumer market in the early 1990s and the number of paging customers reached a peak of 1.4 million in 1994. Since then customer numbers have declined with the increased availability of cheap mobile packages. At end-December 2000, the number of customers decreased further, yet the decline was much smaller than in previous years, as demonstrated in Table B7.

Table B7: Hong Kong Paging Customers

	31 December 1996	31 December 1998	31 December 2000
Hong Kong paging subscribers	1,089,904	571,800	327,768
Year on year growth rate	-18%	-39%	-4%
Hong Kong Mobile subscribers	1,210,680	2,898,077	5,234,370
Year on year growth rate	76%	36%	31%
Paging subscribers as % of total paging and mobile subscribers	47%	16%	6%

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Table B8: Hong Kong Mobile Communications Radio Paging Licences

Operator	Issue of licence
Realink Paging Ltd	November 1991
Telepaging Ltd	July 1995
China Motion Telecom (HK) Ltd	July 1995
Good Rely Ltd	July 1995
Telecom service Ltd	July 1995
Asia Paging Co. Ltd	July 1995
Chevalier (Paging Services) Ltd	July 1995
Wanbao Telecom (HK) Co. Ltd	July 1995
EPRO Telecom Services Ltd	October 1995
Hutchison Paging Services Ltd	January 1996
New Telecomm Co. Ltd	May 1996
Kantone Paging Co. Ltd	May 1996
Rightone Telecom Ltd	May 1996
Unicom Paging (HK) Co. Ltd	October 1996
Two-Way Communications Ltd	December 2000

Source: OFTA website

Appendix C. DEFINITIONS AND GLOSSARY OF TERMS

Unless the context otherwise requires, terms in this Memorandum shall have the following meanings. Unless required otherwise by the content, the singular includes the plural and vice versa. A list of acronyms used in the Memorandum is provided after the following table.

Terms and definitions	
HK\$	Hong Kong dollars.
2.5G	Enhanced 2G telecommunications providing improved data rates above those normally achievable using 2G systems.
2G Licence	A licence to provide public radiocommunications services using cellular communications technology operating in the frequency bands 825 – 960 MHz, 1710 – 1785 MHz and 1805 – 1880 MHz under section 7 of the Ordinance.
2G Operator	A company which at the Application Date holds a 2G Licence.
Accounting Manual	The statement of accounting practices as stipulated by the TA from time to time to be adhered to by the Licensee in preparing its regulatory accounts.
Activity Rules	The rules governing the behaviour of Bidders and Insiders during the Auction, as set out in Part 6 of the Notice.
Applicable Royalty Percentage	The Royalty Percentage which the TA notified to Bidders in the Provisional Successful Bidder Notice.
Application	The application submitted by a Bidder.
Application Dates	17 September 2001 and 18 September 2001, the dates on which Applications are to be submitted.
Application Form	The form on which Applications for the Auction must be submitted.
Auction	The auction under which licences for 3G mobile spectrum will be allocated, as specified in the Notice.
Auction Location	One or more locations in Hong Kong to be specified by the Authority for the purposes of the Auction.
Auctioneer	The TA or such other person acting on behalf of the TA to run the Auction.
Authorised Person	In the context of the Building Authority approvals referred to in Section 2.7.2.3, a person whose name is on the authorised persons’ registry kept under section 3(3) of the Buildings Ordinance.

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Authority/ Telecommunications Authority/TA	The Hong Kong telecommunications industry regulator appointed by the Chief Executive under section 5 of the Ordinance.
Authority Account	<p>a) Bank: Bank of China Hong Kong Branch Ground Floor, Wu Chung House 213 Queen's Road East Wanchai Hong Kong</p> <p>Account Name: Office of the Telecommunications Authority</p> <p>Account Number: 012-899-1-003883-3</p> <p>b) Bank: The Hongkong and Shanghai Banking Corporation Limited Hopewell Centre Branch 183 Queen's Road East Wanchai Hong Kong</p> <p>Account Name: Office of the Telecommunications Authority</p> <p>Account Number: 004-048-3-037990</p>
Bidder	A body corporate which has submitted an Application and has not been notified of its disqualification from the Auction.
Bidder Notice	The notice issued to each Bidder by the Authority confirming whether or not the Bidder is a Qualified Bidder.
Bidder Participation Notice	The notice providing details on the First Phase.
Bidding Form	The forms for communication of bids during the Auction, as attached at Appendix 9 to the Notice.
Bidding Schedule	The list of Royalty Percentages and corresponding Minimum Annual Fees attached at Appendix G.
Building Authority	The Director of Buildings as defined under Section 2 of the Buildings Ordinance.
Business	Any service or business activity of the Licensee for which separate accounts must be prepared pursuant to Special Condition 7 of the Licence.
Business Day	A day other than a Saturday or a Sunday on which banks in Hong Kong are open for general business, as defined in the Notice.

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Code Division Multiple Access /CDMA	Code Division Multiple Access. A digital transmission technology that uses a coding system to mix discrete signals together during transmission and separate the signals at the end of transmission.
Code of Practice/COP	The Code of Practice for the Protection of Workers and Members of the Public Against Non-ionising Radiation Hazards from Radio Transmitting Equipment.
Confidential Information	Information concerning a Bidder's Application or bid, as defined in the Notice.
Connected Bidder	A Bidder that is closely connected ("Connected") to another Bidder, as defined in the Notice. A "Connection" shall refer to the arrangement which causes Bidders to be Connected.
Connected Bidder Group	A group comprising, in relation to a Connected Bidder: <ul style="list-style-type: none">i) that Bidder;ii) any Bidder which is a Connected Bidder in relation to that Bidder; andiii) any other Bidder which a Connected Bidder in relation to a Bidder falling within sub-paragraph (ii).
Content or Service Provider/CSP	A content or service provider which (a) does not have an allocation of Frequency and (b) provides content, applications and services to customers.
Corporate Group	The Bidder, the ultimate holding company of the Bidder and any subsidiary (direct or indirect) of that ultimate holding company.
Digital Cellular System 1800/DCS 1800	A standard for digital mobile telephone transmissions in the frequency bands of 1700 – 1900 MHz (also referred to as PCN or GSM 1800).
Deposit	Collectively, the Deposit and where the Deposit is in cash, Deposit Interest, less Penalties.
Deposit Interest	The interest earned in respect of a Bidder's Deposit where the Deposit is in cash.
digital	A technique or signal in which the information (voice, data, images, etc.) is converted into a stream of binary code for transmission and/or storage, as opposed to analogue in which the output signal varies continuously in line with the input. Digital coding techniques can offer increased quality, security and spectrum efficiency compared to analogue.
Domestic Roaming Condition	The roaming condition, attached at Schedule 4 of the Notice, to be inserted into 2G Licences, as described in Section 2.3 of the Memorandum.

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Dual Band	A term usually referring to equipment capable of operating in two separate major ranges of frequencies, for instance operating in GSM 900 and GSM 1800 spectrum.
Due Date	In relation to a payment of an Annual Minimum Fee, means the date on which it is due (i.e. the relevant anniversary of grant of the Licence).
Extra Network Capacity	Any increase in Network Capacity which can be achieved through the addition or reconfiguration of base station equipment comprised in a Network excluding the deployment of additional carriers or base station sites.
Final Offer	The bid made by a Bidder, in the First Phase, when it withdraws from the First Phase.
First Phase	The first phase of the Auction, as described in Section 3 of Part 4 of the Notice.
First Phase Reserve Price	The Royalty Percentage at which bidding shall start in the First Phase, set by SITB at 5%.
Frequency	The frequency bands referred to in the Telecommunications (Designation of Frequency Bands Subject to Payment of Spectrum Utilization Fee) Order.
Gigahertz (GHz)	A frequency of 1,000,000,000 Hertz.
Government	The Government of the Hong Kong Special Administrative Region, the People's Republic of China.
Global System for Mobile Communications/ GSM	A 2G standard for digital mobile telecommunications transmissions at a frequency of 900, 1800 or 1900 MHz.
Hertz (Hz)	Measure of frequency. 1 Hz corresponds to a frequency of one cycle per second.
Hong Kong	The Hong Kong Special Administrative Region, the People's Republic of China.
International Mobile Station Identity/IMSI	A code used by GSM system to identify the subscriber, his home network and the country in which the home network is based.
International Mobile Telecommunications 2000/IMT-2000	IMT-2000 is an ITU initiative to provide wireless access to the global telecommunications infrastructure. IMT-2000 encompasses both satellite and terrestrial components and aims to serve fixed and mobile users in public and private networks.
Indirect Interest	An indirect interest held by a person through one or more intermediate undertakings, in the share capital of another body corporate, as defined in the Notice.

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Insider	In relation to a Bidder, any person to whom Confidential Information is disclosed, as defined in the Notice.
interconnection	Interconnection within the meaning of section 36A of the Ordinance.
Irrevocable Undertaking	The undertaking in the form specified in Appendix 6 of the Notice.
International Telecommunication Union/ITU	A specialised agency operating under the auspices of the United Nations, which co-ordinates global telecommunications networks and services, covering both wire-line and wireless communications.
kbps	Kilobits per second. A unit of measurement of the amount of information, in thousands of bits, that can be transmitted in one second.
Kilohertz (kHz)	A frequency of 1,000 Hertz.
Licence	A licence to provide public radiocommunications services using cellular communications technology operating in the Frequency under section 7 of the Ordinance to be granted subject to the terms, provisions and limitations specified in the Notice. References to Licences, including the allocation, grant and selection, shall refer to the relevant frequency bands to which the relevant Licence relates.
Licensee	A holder of a Licence.
Licensed Telecommunications Services	The provision of all telecommunications bearer or carriage services using the Frequency assigned to the Licensee under its Licence.
Mandatory Openness Criteria/MOC	The percentage of Network Capacity required to be opened to NSPs under the Open Network Access framework.
Megabits per second/Mbps	A unit of measurement of the amount of information, in millions of bits, that can be transmitted in one second.
Megahertz (MHz)	A frequency of 1,000,000 Hertz.
Memorandum	The Information Memorandum and its appendices as supplemented, amended, updated or replaced from time to time by the Government.
Minimum Annual Fee	The amounts which correspond to a Royalty Percentage as set out in the Bidding Schedule.
Mobile Network Code/ MNC	The part of the IMSI that identifies the subscriber's network within a given country.
Mobile Network Licence	A Public Radiocommunications Service Licence or a Mobile Carrier Licence, as defined in the Ordinance, for the provision of 1G, 2G, 2.5G or 3G services.

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Mobile Network Licensee	The holder of a Mobile Network Licence.
Mobile Virtual Network Operator/ MVNO	A mobile virtual network operator which: a) does not have a Licence; and b) provides mobile services to customers through interconnection with a Mobile Network.
Network	A telecommunications network incorporating base station equipment operating in the Frequency.
Network Business	The Business of the Licensee establishing or maintaining a Network.
Network Capacity	The airtime or volume of data, measured from time to time, capable of being sent over the Network of a Licensee during a defined period including any Extra Network Capacity.
Network Capacity Agreement	An agreement made between an MVNO or CSP (as appropriate) and a Licensee to purchase Network Capacity in accordance with Special Condition 12 of the Licence.
Network Turnover	Has the meaning ascribed to it in the Regulation, being for the purpose of calculating a Spectrum Utilization Fee, the revenue arising from or attributable to the provision of any telecommunications services over any telecommunications network using the frequency bands that the Spectrum Utilization Fee relates to.
New Entrant	A Bidder which does not have a 2G Operator in its Corporate Group or is not under common control with a 2G Operator by parties acting in concert.
Non-affiliated Service Provider/NSP	A service provider that is not affiliated to a Licensee, as defined in Special Condition 12 of the Licence.
Notice	The notice issued pursuant to Section 32I of the Ordinance and the Telecommunications (Method of Determining Spectrum Utilization Fees) (Third Generation Mobile Services) Regulation, to specify the terms and conditions of the Auction and the payment of Spectrum Utilization Fees.
OFTA website	http://www.ofta.gov.hk
Order	The Telecommunications (Designation of Frequency Bands Subject to Payment of Spectrum Utilization Fees) Order.
Ordinance	The Telecommunications Ordinance (Cap. 106).

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paired spectrum	Where paired spectrum is defined, two sub-bands are identified and each radio frequency carrier in the lower sub-band has a corresponding carrier in the upper sub-band. FDD may then be implemented in this paired spectrum. One sub-band is used for all mobile terminal to base station links (commonly referred to as “uplinks”) and the other sub-band for the reverse direction (“downlinks”).
Participant	A direct holder of a portion of the share capital of a body corporate, as defined in the Notice.
Personal Communications Network/PCN	A standard for digital mobile telephone transmissions in the frequency bands around 1800 MHz (also referred to as DCS 1800 or GSM 1800).
Personal Communications Service/PCS	A 2G technology used in the USA and other countries.
penalty	A sum representing the whole or part of a Bidder’s Deposit which has been forfeited by the Authority from that Deposit under any provision in the Notice.
Performance Bond	A performance bond in the form specified in Appendix 5 of the Notice and which is to be provided to the Authority in accordance with paragraph 5.2.3 of the Notice.
Personal Handy-phone System/PHS	A second generation mobile technology which originated in Japan.
Provisional Successful Bidder	A Bidder who has provisionally been successful in the Auction as a consequence of the operation of the First Phase and the Second Phase.
Provisional Successful Bidder Notice	A notice issued to the Bidder under paragraph 4.5.8 of the Notice, notifying the Bidder of its success in the First Phase of the Auction.
Public Switched Telephone Network	The term used to describe the public fixed telephone system, including the local lines, local exchanges and the complete system of trunks and exchange hierarchy that make up the network.
Qualified Bidder	A Bidder who has pre-qualified to take part in the Auction.

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Qualifying Bank	<p>An institution holding a full banking licence under the Banking Ordinance (Cap. 155) whose long term debt rating is, or is higher than:</p> <ul style="list-style-type: none">a) one or more of the following:<ul style="list-style-type: none">– Moody’s A2;– Standard & Poor’s A;– Duff & Phelps Credit Reference Agency’s A;– Fitch - IBCA’s A; orb) a rating of a body other than a body listed in paragraph a) which, in the opinion of the Authority, is equivalent to one or more of the ratings listed in that sub-paragraph.
refarming	<p>The use of spectrum, currently licensed for use with one standard, for another standard.</p>
Registered Structural Engineer/RSE	<p>A person whose name is for the time being on the structural engineer’s register kept under section 3(3) of the Buildings Ordinance.</p>
Regulation	<p>The Telecommunications (Method of Determining Spectrum Utilization Fees) (Third Generation Mobile Services) Regulation.</p>
Representative	<p>A representative of a Bidder, as notified to the Authority in the Bidder’s Application Form, who is authorised to act on behalf of the Bidder for all purposes concerning the Auction.</p>
Revised Applicable Royalty Percentage	<p>The new Applicable Royalty Percentage, as defined in the Notice, following the reactivation of a previously unsuccessful Bidder, pursuant to the Second Phase.</p>
Revised Final Offer	<p>A further Final Offer made by a Bidder to resolve a tie bid in the First Phase.</p>
Revised Provisional Successful Bidder Notice	<p>The notice issued to the Revised Provisional Successful Bidders notifying them of the Revised Applicable Royalty Percentage, the identity of all other Bidders, the details of the Second and Third Phases.</p>
roaming	<p>The use, by a customer of one mobile network operator, of another mobile network operator’s network to make and/or receive calls.</p>
Round	<p>The period in which a confirmation or Final Offer must be made in the Auction.</p>
Royalty Amount	<p>The percentage of Network Turnover in respect of each Royalty Year which shall comprise part of the Spectrum Utilization Fees.</p>

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Royalty Percentage	The percentage figure applicable as a royalty.
Royalty Year	The period of 12 months commencing with the date on which the Licence is granted.
Second Generation	Second generation mobile telecommunications.
Second Phase	The second phase of the Auction.
Second Phase Notice	A notice issued to the Bidders setting out the details of the Second Phase.
Second Phase Reserve Price	The price at which bidding shall start in the Second Phase, set by SITB at HK\$0.
Subscriber Identification Module/SIM/SIM card	A card used in GSM and 3G standards to contain programmable and non-programmable data associated with the subscriber. The SIM is used in subscriber authentication and data encryption and is essential for non-emergency call operation.
spectrum	A continuous range of frequencies of electromagnetic radiation (for example, radio waves).
Spectrum Utilization Fee	The sums payable in respect of each Licence as determined in accordance with the Notice.
Sub-Auction	With respect to that Connected Bidder Grouping, it forms part of the Second Phase when no Irrevocable Undertakings are submitted.
Time Division Multiple Access/TDMA	A digital transmission technology that breaks signals into sequential pieces of a defined length, places each piece into an information conduit at specific intervals and then reconstructs the pieces at the end of the conduit.
Third Phase	The third phase of the Auction.
Third Phase Notice	A notice issued to the Bidders setting out the details of the Third Phase.
Third Phase Reserve Price	The price at which bidding shall start in the Third Phase, set by SITB at HK\$0.
Town Planning Board/TPB	Has the meaning ascribed to it in section 2 of the Town Planning Ordinance.
unpaired spectrum	A range of radio frequencies defined as a stand-alone band. The radio frequency carriers in unpaired spectrum are not paired with carriers at other frequencies.

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Acronyms

1G	First generation mobile telecommunications.
2G	Second generation mobile telecommunications.
3G/3G mobile	Third generation mobile telecommunications.
CDMA	Code Division Multiple Access.
COP	Code of practice.
CSP	Content or Service Provider.
DCS 1800	Digital Cellular System 1800.
DLO	District Lands Office.
DPO	District Planning Office(s).
FTNS	Fixed Telecommunications Network Services.
FDC	Fully Distributed Cost.
GHz	Gigahertz.
GSM	Global System for Mobile Communications.
ICNIRP	International Commission on Non-Ionising Radiation Protection.
IDD	International Direct Dial.
IMSI	International Mobile Station Identity.
IMT-2000	International Mobile Telecommunications 2000.
ITBB	Information Technology and Broadcasting Bureau.
ITU	International Telecommunication Union.
kHz	Kilohertz.
LD	Lands Department.
LRAIC	Long-run average incremental cost
Mbps	Megabits per second.
MCC	Mobile Country Code.
MHz	Megahertz.
MNC	Mobile Network Code.

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MNO	Mobile network operator.
MNP	Mobile Number Portability.
MOC	Mandatory Openness Criteria.
MVNO	Mobile Virtual Network Operator.
NSP	Non-affiliated Service Provider.
OFTA	The Office of Telecommunications Authority.
ONA	Open Network Access.
PCN	Personal Communications Network.
PCS	Personal Communications Service.
PHS	Personal Handy-phone System.
PNETS	Public non-exclusive telecommunications licence.
PSTN	Public Switched Telecommunications Network.
RSE	Registered Structural Engineer.
SIM/SIM card	Subscriber Identification Module.
SITB	Secretary for Information Technology and Broadcasting.
TA	Telecommunications Authority.
TDMA	Time Division Multiple Access.
TNAC	Telecommunications Numbering Advisory Committee.
TPB	Town Planning Board.

APPENDIX D

Appendix D. ONA DETAILED MEASUREMENT METHOD

This Appendix summarises the definitions and the detailed measurement method which the TA intends to apply in determining whether a Licensee has achieved the MOC.

D.1 Definitions

D.1.1 Busy Hour Network Capacity

Defined as the total net capacity of the Network at the air interface available with all the Radio Frequency carriers currently deployed and operational within the Network. Net capacity is defined as the volume of user data that could be carried during the network busy hour under typical practical conditions including the effect of traffic in nearby cells operating on the same frequencies. The net capacity figure is the user data volume, excluding all overheads, such as error correction bits, signalling and soft handover specifically required to support the information transfer across the air interface.

D.1.2 Fractional Busy Hour Loading

The ratio of the Network's busy hour traffic volume to the total traffic volume carried by the Network during a week.

D.1.3 Mandatory Openness Criterion

The percentage of total Network Capacity to be made available for NSP traffic. Until this level of occupancy is achieved, NSPs have a right of access to Network Capacity on the terms detailed in Section 2.2 of the Memorandum.

D.1.4 NSP Committed Busy Hour Occupancy

The contractually committed traffic volume of an NSP that is to be carried during the Network's busy hour.

D.1.5 NSP Commitment Percentage

The ratio, expressed as a percentage, of the Total NSP Committed Busy Hour Occupancy to the Busy Hour Network Capacity.

D.1.6 Total NSP Committed Busy Hour Occupancy

The aggregate of NSP Committed Busy Hour Occupancy for all NSPs.

D.2 Detailed Measurement Method

Should the TA and the other parties be unable to agree on the methodology to be employed, the "Detailed Measurement Method" described below will be used. The method involves the following steps:

- a) establish the Busy Hour Network Capacity;
- b) determine the Fractional Busy Hour Loading;

- c) determine the Total NSP Committed Busy Hour Occupancy;
- d) determine the NSP Commitment Percentage; and
- e) determine if the Mandatory Openness Criterion has been satisfied.

Each of these steps is explained in more detail below.

D.2.1 Establish the Busy Hour Network Capacity

This step uses predefined values, prescribed by the TA in guidelines to be issued from time to time, for the net capacity of a sector with different numbers of carriers. The effect of trunking gain in the case of multiple carriers is to be included. The uplink and downlink directions will be considered separately. The Busy Hour Network Capacity is calculated (in Mbits per hour) as follows:

- establish the number of radio sectors on the Network and the number of carriers currently deployed at each radio sector; and
- separately for both uplink and downlink directions, establish the Busy Hour Network Capacity by summing the net throughput during the Network's busy hour for each operational sector.

The TA recognises that pre-defined estimates of the carrier capacities will not be able to fully account for the specific conditions prevailing within any particular Network. An MNO may, therefore, suggest alternative values for the capacity of sectors within its Network. Such values are to be validated through measurement of network parameters to the satisfaction of the TA.

D.2.2 Determine the Fractional Busy Hour Loading

The objective of this step is to establish the ratio of the traffic volume in the busy hour to the total traffic volume during one week. This ratio is used to convert NSP traffic volumes into corresponding busy hour values.

From measurements of the traffic carried over the Network, the Fractional Busy Hour Loading is determined for the weekly time consistent busy hour as follows:

- record the total traffic volume (i.e. the sum of the MNO and NSP traffic) on the Network over a period of four consecutive weeks with a time resolution of not less than 15 minutes;
- identify the busiest one hour period which occurs consistently from week to week, i.e. the time consistent weekly busy hour;
- determine the average total Network traffic volume in this time consistent weekly busy hour. (This will be the average of the four weekly figures.) This is the busy hour traffic volume;
- if a time consistent busy hour cannot be identified, the busy hour traffic volume will be calculated as the average of the traffic volume in each of the busiest one-hour periods in each weekday during the four-week measurement period;

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- determine the average total Network traffic volume per week over the four-week period;
- calculate the Fractional Busy Hour Loading as the ratio of the busy hour traffic volume to the average total Network weekly traffic volume;
- this step can utilise any convenient measure of traffic volume. The measurements are to be undertaken by the MNO to the satisfaction of the TA; and
- where possible and practical, the Fractional Busy Hour Loading should be determined separately for the uplink and downlink directions.

D.2.3 Determine the Total NSP Committed Busy Hour Occupancy

The purpose of this step is to convert the capacity which NSPs are contractually committed to purchase into the NSP traffic volumes which will count towards the MOC during the busy hour. The calculations are to be carried out separately for the uplink and downlink directions. Where the contract makes no distinction between the uplink and downlink directions, traffic is to be split between the two as determined by the TA taking account of any asymmetry characteristic of the NSP traffic.

Circuit switched capacity will be expressed as an equivalent data volume calculated from the bit rate and air time given in the contract. The calculations are to be carried out as described below with traffic volumes expressed in terms of Mbits per hour.

For each NSP:

- any traffic which is contractually committed to be carried during the time consistent weekly busy hour will count directly towards the NSP Committed Busy Hour Occupancy;
- any traffic which is contractually committed to be carried outside of the time consistent weekly busy hour will not count towards the NSP Committed Busy Hour Occupancy; and
- all other contractually committed traffic is treated as follows:
 - the traffic volumes specified in the contract are scaled to an equivalent total traffic volume per week;
 - this traffic volume is multiplied by the Fractional Busy Hour Loading to determine the NSP Committed Busy Hour Occupancy; and
 - if a time consistent weekly busy hour cannot be determined, all contractually committed traffic is to be treated as described in the two (bulleted) steps immediately above.

Lastly:

Determine the Total NSP Committed Busy Hour Occupancy by aggregating the NSP Committed Busy Hour Occupancy for all NSPs.

D.2.4 Determine the NSP Commitment Percentage

This step calculates the NSP Commitment Percentage as the maximum of the percentage calculated for both uplink and downlink directions.

- in the uplink direction, the NSP Commitment Percentage (uplink) is formed by dividing the Total NSP Committed Busy Hour Occupancy (uplink) by the Busy Hour Network Capacity (uplink) and multiplying by 100;
- in the downlink direction, the NSP Commitment Percentage (downlink) is formed by dividing the Total NSP Committed Busy Hour Occupancy (downlink) by the Busy Hour Network Capacity (downlink) and multiplying by 100; and
- the NSP Commitment Percentage is then defined as the maximum of the NSP Commitment Percentage in either direction.

D.2.5 Determine if the MOC has been satisfied

The mandatory commitment is satisfied if the NSP Commitment Percentage exceeds or equals the MOC.

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Appendix E. AUCTION WORKED EXAMPLES

Appendix E sets out some examples of the bidding process of each of the First Phase, Second Phase and Third Phase, in order to illustrate the processes that might occur and, in the relevant cases, the way in which the Royalty Percentage applicable to all Licensees will be determined. **It should be noted that all data used in this Appendix are for illustrative purposes only.**

E.1 First Phase

For simplicity, the following assumptions have been made in all the examples in this section:

- a) there are seven Qualified Bidders who can enter the First Phase;
- b) the First Phase Reserve Price is, as set by SITB, 5%; and
- c) the First Phase ends after five Rounds of bidding.

The examples are numbered by their title headings.

E.1.1 Bidders withdraw in different Rounds

E.1.1 illustrates a situation without any complicating factors such as multiple withdrawals in the same Round or tie bids. The table shows the actions taken by each of Bidders A to G in the five-Round example auction.

Round and bidding increment	Action of each Qualified Bidder (Confirmation or Final Offer)						
	A	B	C	D	E	F	G
1 (5.00-5.99%)	Conf	Conf	Conf	Conf	Conf	Conf	Conf
2 (6.00-6.99%)	Conf	Conf	Conf	Conf	Conf	Conf	Conf
3 (7.00-7.99%)	Conf	Conf	Conf	Conf	Conf	Conf	7.97%
4 (8.00-8.99%)	Conf	Conf	Conf	Conf	Conf	8.89%	Withd
5 (9.00-9.99%)	Conf	Conf	Conf	Conf	9.26%	Withd	Withd

Conf: confirm to remain in the entire bidding Round and to make its Final Offer at least at the lowest percentage of the next bidding Round

Final Offer: the last percentage at which a Qualified Bidder is willing to bid

Withd: already withdrawn

In E.1.1, the First Phase ends after Round 5. The Provisional Successful Bidders are Bidders A, B, C and D. The Provisional Applicable Royalty Percentage is 9.27%, which is the Final Offer made by Bidder E (i.e. the 5th highest Bidder) plus 0.01%.

E.1.2 Bidders withdraw in same Round

E.1.2 illustrates the situation where the losing Bidders all withdraw in the same Round. In this and the following tables, only those Rounds needed to illustrate the example are shown.

Round and bidding increment	Action of each Qualified Bidder (Confirmation or Final Offer)						
	A	B	C	D	E	F	G
5 (9.00-9.99%)	Conf	Conf	Conf	Conf	9.86%	9.49%	9.38%

The First Phase again ends after Round 5. The Provisional Successful Bidders are Bidders A, B, C and D. The provisional Applicable Royalty Percentage is 9.87%, which is the Final Offer made by Bidder E (i.e. the 5th highest Bidder) plus 0.01%.

E.1.3 Tie bid between losing Bidders in the final Round

E.1.3 illustrates the situation where the First Phase ends when the 5th and 6th highest Bidders make the same Final Offer.

Round and bidding increment	Action of each Qualified Bidder (Confirmation or Final Offer)						
	A	B	C	D	E	F	G
4 (8.00-8.99%)	Conf	Conf	Conf	Conf	Conf	Conf	8.83%
5 (9.00-9.99%)	Conf	Conf	Conf	Conf	9.86%	9.86%	Withd

The First Phase ends after Round 5. The Provisional Successful Bidders are Bidders A, B, C and D. The provisional Applicable Royalty Percentage is 9.87%, which is the Final Offer made by Bidders E and F (i.e. the 5th highest Bidders) plus 0.01%. Please note that no resolution of tie bids between Bidders E and F is required at this stage.

E.1.4 Bidders 4 and 5 tie (1)

This example demonstrates what may happen if Bidders make their Final Offers at exactly the same percentage, and create a tie bid, such that it is not possible to select the four highest Bidders (the winners).

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Round and bidding increment	Action of each Qualified Bidder (Confirmation or Final Offer)						
	A	B	C	D	E	F	G
4 (8.00-8.99%)	Conf	Conf	Conf	Conf	Conf	Conf	8.77%
5 (9.00-9.99%)	Conf	Conf	Conf	9.86%	9.86%	9.33%	Withd

The First Phase cannot end until the 4th highest Bidder can be identified. Accordingly, each of the tied Bidders (D and E) from Round 5 is required to submit a Revised Final Offer between 9.86%, their original Final Offers in Round 5, and 10.00%, the lowest percentage of the bidding increment applicable to the next Round. This upper increment is used because, by confirming that they will remain in Round 5, all of Bidders A, B and C have committed themselves to a minimum Final Offer of 10.00% (the lowest Royalty Percentage, per the Bidding Schedule, applicable to the next Round). Two further illustrations of how the tie bid might be resolved between Bidders D and E are set out below.

E.1.4(a): Tie resolved through bidding

Range for tie bids resolution	Action of each tied Bidder (Revised Final Offer)	
	D	E
9.86-10.00%	9.99%	9.95%

In E.1.4(a), the First Phase ended after Bidders D and E submitted their Revised Final Offers to resolve the tie bid, with D submitting the higher bid. The Provisional Successful Bidders are Bidders A, B, C and D. The provisional Applicable Royalty Percentage is 9.96%, which is the Revised Final Offer made by Bidder E (now identified as the 5th highest Bidder) plus 0.01%.

E.1.4(b): Bidding does not resolve tie

In this example both tied Bidders submit the same Revised Final Offer.

Range for tie bids resolution	Action of each tied Bidder (Revised Final Offer)	
	D	E
9.86-10.00%	9.95%	9.95%
Random method	Winner	Loser

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In E.1.4(b), the First Phase cannot end after Bidders D and E submitted their Revised Final Offers as it is still not possible to identify the 4th highest Bidder. A random method would therefore be used – in this example it is assumed that Bidder D has been chosen as the 4th highest Bidder based on such method. The First Phase therefore ends.

The Provisional Successful Bidders are Bidders A, B, C and D. The provisional Applicable Royalty Percentage is 9.95%, which is equivalent to the Revised Final Offer made by Bidder E, the 5th highest Bidder. It should be noted that 0.01% will not be added to Bidder E’s Revised Final Offer of 9.95% as Bidder D, the 4th highest Provisional Successful Bidder, has not offered any percentage above 9.95%.

E.1.5 Bidders 4 and 5 tie (2)

Round and bidding increment	Action of each Qualified Bidder (Confirmation or Final Offer)						
	A	B	C	D	E	F	G
4 (8.00-8.99%)	Conf	Conf	Conf	Conf	Conf	Conf	8.77%
5 (9.00-9.99%)	Conf	Conf	9.95%	9.86%	9.86%	9.33%	Withd

Similar to E.1.4, the First Phase cannot end until the 4th highest Bidder can be identified. Accordingly, each of the tied Bidders (D and E) in Round 5 is required to submit a Revised Final Offer between 9.86%, their original Final Offers in Round 5, and 9.95%, the Final Offer of Bidder C, the 3rd highest Bidder. Two examples of how the tie between Bidders D and E might be resolved are set out below.

E.1.5(a): Bidding resolves tie

Range for tie bids resolution	Action of each tied Bidder (Revised Final Offer)	
	D	E
9.86-9.95%	9.93%	9.91%

In E.1.5(a), the First Phase ended after Bidders D and E submitted their Revised Final Offers. The Provisional Successful Bidders are Bidders A, B, C and D. The Provisional Applicable Royalty Percentage is 9.92%, which is the Revised Final Offer made by Bidder E (now identified as the 5th highest Bidder) plus 0.01%.

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E.1.5(b): Bidding does not resolve tie

Range for tie bids resolution	Action of each tied Bidder (Revised Final Offer)	
	D	E
9.86-9.95%	9.95%	9.95%
Random method	Winner	Loser

In E.1.5(b), the First Phase cannot end after Bidders D and E submitted their Revised Final Offers as it is still not possible to identify the 4th highest Bidder. A random method would therefore be used and it is assumed that Bidder D has been chosen as the 4th highest Bidder. The First Phase can therefore end.

The Provisional Successful Bidders are Bidders A, B, C and D. The provisional Applicable Royalty Percentage is 9.95%, which is the Revised Final Offer made by Bidder E, the 5th highest Bidder. It should be noted that 0.01% will not be added to Bidder E's Revised Final Offer of 9.95% as Bidders C and D, the 3rd and 4th highest Provisional Successful Bidders, have not offered any percentage above 9.95%.

E.2 Second Phase

E.2.1 Second Phase bidding

Assuming that two of the Provisional Successful Bidders, being Bidders A and B, are Connected with each other and fail to provide the Irrevocable Undertaking. Accordingly, each of these Connected Provisional Successful Bidders is required to submit a single sealed bid (an upfront cash payment in the Second Phase) and only one of them will be allowed to proceed to the Third Phase.

HK\$	Bid of each Connected Provisional Successful Bidder	
	A	B
Second Phase bids	3,985,674.99	2,675,883.45

In E.2.1, Bidder A, as the highest Bidder in the Second Phase, will be allowed to proceed to the Third Phase whilst Bidder B will be eliminated. Accordingly, the next highest losing Bidder in the First Phase must re-enter and proceed to the Third Phase, subject to whether it is Connected to any of the three remaining Provisional Successful Bidders (i.e. Bidders A, C and D) and, if Connected, it provides an Irrevocable Undertaking. For

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simplicity, the same set of results for the First Phase as those in E.1.1 above is used; a simplified table is set out below for reference.

Round and bidding increment	Action of each Qualified Bidder (Confirmation or Final Offer)						
	A	B	C	D	E	F	G
Bids at end of First Phase	Conf	Conf	Conf	Conf	9.26%	8.89%	7.97%

The Second Phase does not end until the next highest losing Bidder in the First Phase, who must not be Connected to any of the remaining Provisional Successful Bidders, re-enters and proceeds to the Third Phase. Two examples are provided below which show the method of selecting the next highest losing Bidder in the First Phase for re-entering and proceeding to the Third Phase.

E.2.1(a)

Assuming that Bidder E is not Connected to any of the remaining Provisional Successful Bidders, being Bidders A, C and D, then it must re-enter and proceed to the Third Phase. The Second Phase will end at this stage. The Revised Provisional Bidders are Bidders A, C, D and E. The provisional Applicable Royalty Percentage will be revised to 8.90%, being the Final Offer made by Bidder F, the revised 5th highest Bidder, plus 0.01%.

E.2.1(b)

Assuming that Bidder E is Connected to Bidder A and fails to provide the Irrevocable Undertaking, no Second Phase bidding will be required between Bidders A and E. Bidder E will be automatically eliminated.

The next highest losing Bidder from the First Phase (Bidder F in this example) will then re-enter and proceed to the Third Phase, assuming that it is not Connected to any of the remaining Provisional Successful Bidders (i.e. Bidders A, C and D). The Second Phase will end at this stage. The Revised Provisional Successful Bidders will be Bidders A, C, D and F. The provisional Applicable Royalty Percentage will be revised to 7.98%, being the Final Offer made by Bidder G, the revised 5th highest Bidder, plus 0.01%.

E.2.2 Resolving a First Phase tie bid after eliminating a Connected Bidder

This example uses exactly the same basic assumptions as E.2.1 above where Bidders A and B are connected with each other and fail to provide the Irrevocable Undertaking. Accordingly, they have made the following bids in the Second Phase.

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HK\$	Action of each Connected Provisional Successful Bidder	
	A	B
Second Phase bids	3,985,674.99	2,675,883.45

Bidder A will therefore be allowed to proceed to the Third Phase whilst Bidder B will be eliminated. Accordingly, the next highest losing Bidder in the First Phase must re-enter and proceed to the Third Phase, subject to whether it is Connected to any of the three remaining Provisional Successful Bidders (i.e. Bidders A, C and D).

In this case, the results for the First Phase demonstrated in E.1.3 are used to illustrate which of the Bidders in the First Phase must re-enter and proceed to the Third Phase. The results of E.1.3 are set out in the simplified table below for reference.

Round and bidding increment	Action of each Qualified Bidder (Confirmation or Final Offer)						
	A	B	C	D	E	F	G
Bids at end of First Phase	Conf	Conf	Conf	Conf	9.86%	9.86%	8.83%

Since Bidders E and F tied in the original First Phase auction, the First Phase needs to be re-opened to determine which of them is allowed to re-enter and proceed to the Third Phase. Assuming for the purposes of this example that neither E nor F is Connected to A, C or D, they will be required to submit a Revised Final Offer between 9.86%, their original Final Offer in the First Phase, and 10.00%, the lowest percentage which all the remaining Provisional Successful Bidders (i.e. Bidders A, C and D) have confirmed they will offer when they submitted a confirmation to remain in Round 5 of the First Phase.

The resolution of this tie would follow identical procedures to those shown above in E.1.4 and E.1.5.

E.2.3 Second Phase tied bid

Similar to E.2.1, Bidders A and B are assumed to be Connected to each other and to fail to provide the Irrevocable Undertaking. Accordingly each of them is required to submit a single sealed bid in the Second Phase and only one of them will be allowed to proceed to the Third Phase.

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HK\$	Action of each Connected Provisional Successful Bidder	
	A	B
Second Phase bids	4,000,000.00	4,000,000.00

Since both Bidders A and B submitted the same amount and tied in the Second Phase, they will be given the opportunity to submit a further bid for the Second Phase. Two examples are provided of how Bidders A and B may make further bids for the Second Phase.

E.2.3(a)

HK\$	Action of each Connected Provisional Successful Bidder	
	A	B
Original Second Phase bids	4,000,000.00	4,000,000.00
Additional Second Phase bids	109,456.76	50,345.23

In E.2.3(a), Bidder A will be allowed to proceed to the Third Phase. The total amount payable by Bidder A for the Second Phase is HK\$4,109,456.76 (being the sum of HK\$4,000,000.00 and HK\$109,456.76 offered by Bidder A in the Second Phase).

The mechanism for choosing the next highest losing Bidder from the First Phase to re-enter and proceed to the Third Phase and the determination of the revised provisional Applicable Royalty Percentage will be as demonstrated in E.2.1 and E.2.2 above.

E.2.3(b)

HK\$	Action of each Connected Provisional Successful Bidder	
	A	B
Original Second Phase bids	4,000,000.00	4,000,000.00
Additional Second Phase bids	200,000.00	200,000.00
Random method	Winner	Loser

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In E.2.3(b), both Bidders tie again in their further bids for the Second Phase. A random method will therefore be used to choose which of Bidders A and B will be allowed to proceed to the Third Phase.

Assuming that Bidder A is chosen by the random method to proceed to the Third Phase, the total amount payable by Bidder A for the Second Phase is HK\$4,200,000.00 (being the sum of HK\$4,000,000.00 and HK\$200,000.00 offered by Bidder A in the Second Phase). The mechanism for choosing the next highest losing Bidder from the First Phase to re-enter and proceed to the Third Phase and the determination of the revised provisional Applicable Royalty Percentage will also be as demonstrated in E.2.1 and E.2.2 above.

E.2.4 Selection from multiple Connected Bidders

Assuming that three of the Provisional Successful Bidders are Connected with each other in the form where Bidder A is Connected to Bidder B, and Bidder B is also Connected to Bidder C, and no Irrevocable Undertaking has been provided by any of these Connected Provisional Successful Bidders.

Accordingly, each of these Connected Provisional Successful Bidders is required to submit a single sealed bid, for an upfront cash payment in the Second Phase, to determine which of them can proceed to the Third Phase. Two further examples of how these Connected Provisional Successful Bidders will be selected in the Second Phase are set out below. It is not expected that such situations will arise, but these examples are nevertheless provided.

E.2.4(a)

HK\$	Action of each Connected Provisional Successful Bidder		
	A	B	C
Second Phase bids	3,985,674.99	2,675,883.45	1,345,987.45

In E.2.4(a), the ranking by amount of bid in the Second Phase is Bidder A, then B, then C. Accordingly, Bidder A will automatically proceed to the Third Phase. Bidder B, the next highest Bidder in the Second Phase will not be allowed to proceed to the Third Phase because it is Connected to Bidder A. Bidder C, the lowest Bidder in the Second Phase will be allowed to proceed to the Third Phase because it is not Connected to any other higher Bidder taken forward in the Second Phase (Bidder A in this example).

E.2.4(b)

HK\$	Action of each Connected Provisional Successful Bidder		
	A	B	C
Second Phase bids	2,675,883.45	3,985,674.99	1,345,987.45

In E.2.4(b), the ranking by amount of bid in the Second Phase is Bidder B, then A, then C. Accordingly, Bidder B automatically proceeds to the Third Phase. Bidder A, the next highest Bidder in the Second Phase, will not be allowed to proceed to the Third Phase because it is Connected to Bidder B. Bidder C, the lowest Bidder in the Second Phase, will also not be allowed to proceed to the Third Phase because it is also Connected to Bidder B.

Because two of the Provisional Successful Bidders have been eliminated in the Second Phase, two of the unsuccessful Bidders from the First Phase will re-enter the Auction. The Applicable Royalty Percentage would be the Final Offer of the new highest losing Bidder (after the elimination of the Connected Bidders) plus 0.01%.

Round and bidding increment	Action of each Qualified Bidder (Confirmation or Final Offer)						
	A	B	C	D	E	F	G
Bids at end of First Phase	Conf	Conf	Conf	Conf	9.26%	8.89%	7.97%

Using again the figures from the First Phase in example E.1.1, E and F would have been reactivated. The new Applicable Royalty Percentage would be 7.98% (the Final Offer of the new highest loser, G, plus 0.01%). If there is no new highest loser (because of insufficient Bidders), then the Applicable Royalty Percentage will be the First Phase Reserve Price.

E.2.5 Failure to submit a Second Phase Bid

Similar to E.2.1, Bidders A and B are assumed to be Connected with each other and fail to provide the Irrevocable Undertaking. Accordingly, each of them is required to submit a single sealed bid for an upfront cash payment in the Second Phase to determine who can proceed to the Third Phase.

APPENDIX E

HK\$	Action of each Connected Provisional Successful Bidder	
	A	B
Second Phase bids	3,985,674.99	No bid submitted

In this example, Bidder B is deemed to have made the lower bid, and is eliminated because it has the lowest bid for the Second Phase. Bidder A will proceed to the Third Phase.

E.3 Third Phase

Each of the Third Phase Bidders will be required to submit a single sealed bid (an upfront cash payment) in the Third Phase to determine the order of priority for selecting a Licence. Some illustrations are set out below.

E.3.1 Third Phase bids in order

HK\$	Action of each Third Phase Bidder			
	A	B	C	D
Third Phase bids	441,389.88	367,485.21	260,389.41	126,548.75

In this example, the order of priority for choosing a Licence will be Bidders A, B, C and finally D.

E.3.2 Tied Third Phase Bids

HK\$	Action of each Third Phase Bidder			
	A	B	C	D
Third Phase bids	441,389.88	367,485.21	200,000.00	200,000.00

In E.3.2, Bidder A will be given the opportunity to choose a Licence first, followed by Bidder B. However, the priority between Bidders C and D cannot be determined yet and they will each be required to submit a further bid (again for an upfront cash payment) in order to determine which of Bidders C and D can select a Licence from the remaining Licences first. It should be noted that the results of the further bids by Bidders C and D will not affect the priority of Bidders A and B, which was established in the first round of bidding in the Third Phase. Two further examples of how these Third Phase tied bids might be resolved are provided below.

E.3.2(a)

HK\$	Action of each Third Phase Bidder			
	A	B	C	D
Third Phase bids	441,389.88	367,485.21	200,000.00	200,000.00
Additional Third Phase bids	Not needed	Not needed	180,034.93	100,455.33

In E.3.2(a), Bidder C will be allowed to select one of the remaining two Licences, after Bidders A and B have selected their Licences, and Bidder D will be allocated the remaining Licence. The total amount of upfront cash payment required from Bidders C and D will be HK\$382,034.93 (being the total of HK\$200,000.00 and HK\$180,034.93 offered by Bidder C in the Third Phase) and HK\$300,455.33 (being the sum of HK\$200,000.00 and HK\$100,455.33 offered by Bidder D in the Third Phase) respectively. It should be noted that Bidder C will not be given the opportunity to select a Licence before Bidder B even if the total sum of the bids it made in the Third Phase is higher than Bidder B.

E.3.2(b)

HK\$	Action of each Third Phase Bidder			
	A	B	C	D
Third Phase bids	441,389.88	367,485.21	200,000.00	200,000.00
Additional Third Phase bids	Not needed	Not needed	200,000.00	200,000.00
Random method	Not needed	Not needed	Winner	Loser

In E.3.2(b), both Bidders C and D tied again in their further Third Phase bids. Accordingly, a random method will be used to determine which of Bidders C and D can select a Licence first. Assuming that Bidder C is chosen by the random method to select a Licence before Bidder D, then the order of priority for all the Third Phase Bidders will be Bidders A, B, C and finally D. The total amount to be paid by each of Bidders C and D for the Third Phase will be HK\$400,000.00 (being the sum of HK\$200,000.00 and HK\$200,000.00 offered by both C and D in the Third Phase).

APPENDIX E

E.3.3 Failure to submit a Third Phase Bid

HK\$	Action of each Third Phase Bidder			
	A	B	C	D
Third Phase bids	441,389.88	367,485.21	260,389.41	No bid submitted

In E.3.3, Bidder D has not submitted a bid in the Third Phase and will be treated as having made a bid at the Third Phase Reserve Price (i.e. of HK\$0). It will therefore automatically be given the remaining Licence after all the other Third Phase Bidders have selected their Licences. The order of priority determined in this example will be Bidders A, B, C and finally D.

Appendix F. MOBILE SERVICES NUMBERING PLAN

MOBILE SERVICES NUMBERING PLAN

Leading Digit 6

Leading Digits	3rd Digit									
	0	1	2	3	4	5	6	7	8	9
60	Reserved for Special Services	## (PCS)	## (PCS)	## (PCS)	## (CDMA)	## (Dual Band)	Reserved as Special Numbers	## (Dual Band)	## (Dual Band)	## (PCS)
61	## (Dual Band)	## (PCS)	## (PCS)	## (PCS)	## (Dual Band)	## (PCS)	Reserved as Special Numbers	## (PCS)	## (PCS)	## (Dual Band)
62	-	## (PCS)	## (PCS)	-	-	-	Reserved as Special Numbers	## (Dual Band)	## (PCS)	## (Dual Band)
63	-	-	-	-	-	-	Reserved as Special Numbers	-	-	-
64	-	-	-	-	-	-	Reserved as Special Numbers	-	-	-
65	-	-	-	-	-	-	Reserved as Special Numbers	-	-	-
66	Reserved for future migration to longer digits									
67	-	-	-	-	-	-	Reserves as Special Numbers	-	Reserved as Special Numbers	-
68	-	-	-	-	-	-	Reserved as Special Numbers	-	-	-
69	Reserved for future migration to longer digits									

Allocated to 2G Mobile Services Operator

Leading Digit 9

Leading Digits	3rd Digit									
	0	1	2	3	4	5	6	7	8	9
90	Information Services	## (GSM)	## (Dual Band)	## (Dual Band)	## (Dual Band)	## (D-AMPS)	Trunk Radio Services	## (D-AMPS)	## (D-AMPS)	## (Dual Band)
91	## (Dual Band)	Reserved	## (Dual Band +CDMA)	## (GSM)	## (D-AMPS)	## (Dual Band)	## (GSM)	## (GSM)	## (Dual Band)	## (Dual Band)
92	## (PCS)	## (PCS)	## (PCS)	## (PCS)	## (GSM)	## (PCS)	## (Dual Band)	## (PCS)	## (Dual Band)	Reserved as Special Numbers
93	## (Dual Band)	## (GSM)	## (Dual Band +CDMA)	## (D-AMPS)	## (PCS)	## (Dual Band +CDMA)	## (Dual Band +CDMA)	## (Dual Band +CDMA)	## (GSM)	Reserved as Special Numbers
94	## (Dual Band)	## (Dual Band +CDMA)	## (Dual Band +CDMA)	## (GSM)	## (GSM)	## (GSM)	## (Dual Band)	## (Dual Band +CDMA)	## (Dual Band +CDMA)	## (Dual Band +CDMA)
95	## (Dual Band)	## (PCS)	## (PCS)	## (Dual Band)	## (GSM+PCS)	## (PCS)	## (D-AMPS)	## (Dual Band)	## (PCS)	Reserved as Special Numbers
96	## (PCS)	## (Dual Band)	## (PCS)	## (Dual Band +CDMA)	## (PCS)	## (PCS)	## (PCS)	## (Dual Band +CDMA)	## (GSM)	Reserved as Special Numbers
97	## (CDMA)	## (PCS)	## (PCS)	## (GSM)	## (Dual Band)	## (Dual Band)	## (Dual Band)	## (PCS)	## (PCS)	Reserved as Special Numbers
98	## (PCS)	## (Dual Band)	## (CDMA)	## (Dual Band)	## (PCS)	## (PCS)	## (GSM)	## (PCS)	## (Dual Band)	Reserved as Special Numbers
99	Emergency routing code	Reserved	Emergency faxline	Emergency routing code	Reserved	Emergency routing code	Reserved	PCCWHKTC code	Reserved	Emergency

Allocated to 2G Mobile Service operator

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Appendix G. BIDDING SCHEDULE

The Bidding Schedule, as gazetted in a Notice by SITB on 18 July 2001 is attached overleaf. This Bidding Schedule covers the range from 5.00% (the First Phase Reserve Price) to 26.00%. In the event that bidding in the First Phase goes beyond 26.00%, the Auctioneer will suspend the Auction so that SITB may set a minimum payment schedule for higher percentages.

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**Telecommunications Ordinance (Cap.106) and Telecommunications
(Method for Determining Spectrum Utilization Fees)
(Third Generation Mobile Services) Regulation**

By this Notice I, in exercise of the powers conferred by section 32I of the Telecommunications Ordinance and the Telecommunications (Method for Determining Spectrum Utilization Fees) (Third Generation Mobile Services) Regulation (the “Regulation”), specify the minimum fees of the spectrum utilization fee mentioned in various provisions of the Regulation.

Carrie YAU *Secretary for Information Technology and Broadcasting*
18 July 2001

(1) Section 4(b)(i) of the Regulation

The relevant minimum fee applicable to the applicable royalty percentage mentioned in section 4(b)(i) shall be determined by reference to the Schedule to this Notice, which specifies the relevant minimum fee applicable to each royalty percentage, as the case may be.

(2) Section 4(b)(ii)(B) of the Regulation

The relevant minimum fee based on the applicable royalty percentage mentioned in section 4(b)(ii)(B) shall be determined by reference to the Schedule to this Notice, which specifies the relevant minimum fee based on each royalty percentage, as the case may be.

(3) Section 4(c) of the Regulation

The relevant minimum fee of the spectrum utilization fee mentioned in section 4(c) shall be:-

- (i) an annual fee in the amount of HK\$50 million for each of the first 5 years of the period of validity of the relevant licence mentioned in section 7(12) of the Telecommunications Ordinance;
- (ii) for each year of the period of validity of the licence remaining after the expiration of the first 5 years, an annual fee consisting of:-
 - (A) a royalty determined by reference to the network turnover of the licensee multiplied by 5%; or
 - (B) the amount of Hong Kong dollars as shown below for each of the corresponding years:

Year of the Licence	6 th	7 th	8 th	9 th	10 th	11 th	12 th	13 th	14 th	15 th
Minimum Fee (HK\$'000)	60,124	70,249	80,373	90,497	100,622	110,746	120,870	130,995	141,119	151,243

whichever is the highest for the year concerned.

(4) Section 5(e) of the Regulation

The relevant minimum fee of the spectrum utilization fee mentioned in section 5(e) shall be:-

- (i) an annual fee in the amount of HK\$50 million for each of the first 5 years of the period of validity of the relevant licence mentioned in section 7(12) of the Telecommunications Ordinance;

(ii) for each year of the period of validity of the licence remaining after the expiration of the first 5 years, an annual fee consisting of:-

(A) a royalty determined by reference to the network turnover of the licensee multiplied by 5%; or

(B) the amount of Hong Kong dollars as shown below for each of the corresponding years:

Year of the Licence	6 th	7 th	8 th	9 th	10 th	11 th	12 th	13 th	14 th	15 th
Minimum Fee (HK\$'000)	60,124	70,249	80,373	90,497	100,622	110,746	120,870	130,995	141,119	151,243

whichever is the highest for the year concerned.

(5) Section 6(b) of the Regulation

The minimum fee of the spectrum utilization fee mentioned in section 6(b) shall be HK\$0.

(6) Section 7(b)(ii) of the Regulation

The minimum fee of the spectrum utilization fee mentioned in section 7(b)(ii) shall be HK\$0.

In this Notice, unless the context otherwise requires, words and expressions herein shall have the meanings assigned to them in the Regulation. This Notice shall become effective from the date hereof and shall continue in force until withdrawn, modified or replaced by me.

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)(B)															
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
5.00%	50,000	50,000	50,000	50,000	50,000	60,124	70,249	80,373	90,497	100,622	110,746	120,870	130,995	141,119	151,243	
5.01%	50,217	50,217	50,217	50,217	50,217	60,385	70,553	80,722	90,890	101,058	111,226	121,394	131,563	141,731	151,899	
5.02%	50,434	50,434	50,434	50,434	50,434	60,646	70,858	81,070	91,283	101,495	111,707	121,919	132,131	142,344	152,556	
5.03%	50,651	50,651	50,651	50,651	50,651	60,907	71,163	81,420	91,676	101,932	112,188	122,444	132,701	142,957	153,213	
5.04%	50,869	50,869	50,869	50,869	50,869	61,169	71,469	81,769	92,069	102,370	112,670	122,970	133,270	143,570	153,871	
5.05%	51,086	51,086	51,086	51,086	51,086	61,430	71,775	82,119	92,463	102,808	113,152	123,496	133,840	144,185	154,529	
5.06%	51,304	51,304	51,304	51,304	51,304	61,692	72,081	82,469	92,858	103,246	113,634	124,023	134,411	144,800	155,188	
5.07%	51,522	51,522	51,522	51,522	51,522	61,955	72,387	82,820	93,252	103,685	114,117	124,550	134,982	145,415	155,847	
5.08%	51,740	51,740	51,740	51,740	51,740	62,217	72,694	83,171	93,647	104,124	114,601	125,077	135,554	146,031	156,508	
5.09%	51,959	51,959	51,959	51,959	51,959	62,480	73,001	83,522	94,043	104,564	115,085	125,606	136,127	146,648	157,168	
5.10%	52,177	52,177	52,177	52,177	52,177	62,743	73,308	83,873	94,438	105,004	115,569	126,134	136,699	147,265	157,830	
5.11%	52,396	52,396	52,396	52,396	52,396	63,006	73,615	84,225	94,835	105,444	116,054	126,663	137,273	147,882	158,492	
5.12%	52,615	52,615	52,615	52,615	52,615	63,269	73,923	84,577	95,231	105,885	116,539	127,193	137,847	148,501	159,155	
5.13%	52,835	52,835	52,835	52,835	52,835	63,533	74,231	84,930	95,628	106,326	117,025	127,723	138,421	149,120	159,818	
5.14%	53,054	53,054	53,054	53,054	53,054	63,797	74,540	85,282	96,025	106,768	117,511	128,253	138,996	149,739	160,482	
5.15%	53,274	53,274	53,274	53,274	53,274	64,061	74,848	85,636	96,423	107,210	117,997	128,785	139,572	150,359	161,146	
5.16%	53,494	53,494	53,494	53,494	53,494	64,325	75,157	85,989	96,821	107,653	118,484	129,316	140,148	150,980	161,811	
5.17%	53,714	53,714	53,714	53,714	53,714	64,590	75,466	86,343	97,219	108,095	118,972	129,848	140,724	151,601	162,477	
5.18%	53,934	53,934	53,934	53,934	53,934	64,855	75,776	86,697	97,618	108,539	119,460	130,381	141,302	152,223	163,143	
5.19%	54,155	54,155	54,155	54,155	54,155	65,120	76,086	87,051	98,017	108,983	119,948	130,914	141,879	152,845	163,810	
5.20%	54,375	54,375	54,375	54,375	54,375	65,386	76,396	87,406	98,416	109,427	120,437	131,447	142,457	153,468	164,478	
5.21%	54,596	54,596	54,596	54,596	54,596	65,651	76,706	87,761	98,761	109,871	120,926	131,981	143,036	154,091	165,146	
5.22%	54,817	54,817	54,817	54,817	54,817	65,917	77,017	88,117	99,216	110,316	121,416	132,516	143,616	154,715	165,815	
5.23%	55,039	55,039	55,039	55,039	55,039	66,183	77,328	88,472	99,617	110,762	121,906	133,051	144,195	155,340	166,485	
5.24%	55,260	55,260	55,260	55,260	55,260	66,450	77,639	88,829	100,018	111,207	122,397	133,586	144,776	155,965	167,155	
5.25%	55,482	55,482	55,482	55,482	55,482	66,716	77,951	89,185	100,419	111,654	122,888	134,122	145,357	156,591	167,825	
5.26%	55,704	55,704	55,704	55,704	55,704	66,983	78,262	89,542	100,821	112,100	123,380	134,659	145,938	157,218	168,497	
5.27%	55,926	55,926	55,926	55,926	55,926	67,250	78,575	89,899	101,223	112,547	123,872	135,196	146,520	157,845	169,169	
5.28%	56,148	56,148	56,148	56,148	56,148	67,518	78,887	90,256	101,626	112,995	124,364	135,734	147,103	158,472	169,841	
5.29%	56,371	56,371	56,371	56,371	56,371	67,785	79,200	90,614	102,028	113,443	124,857	136,272	147,686	159,100	170,515	
5.30%	56,594	56,594	56,594	56,594	56,594	68,053	79,513	90,972	102,432	113,891	125,351	136,810	148,270	159,729	171,189	
5.31%	56,817	56,817	56,817	56,817	56,817	68,321	79,826	91,331	102,835	114,340	125,845	137,349	148,854	160,358	171,863	
5.32%	57,040	57,040	57,040	57,040	57,040	68,590	80,140	91,689	103,239	114,789	126,339	137,889	149,439	160,988	172,538	
5.33%	57,263	57,263	57,263	57,263	57,263	68,858	80,453	92,049	103,644	115,239	126,834	138,429	150,024	161,619	173,214	
5.34%	57,487	57,487	57,487	57,487	57,487	69,127	80,768	92,048	104,048	116,639	128,230	139,815	151,400	163,000	174,595	
5.35%	57,711	57,711	57,711	57,711	57,711	69,396	81,082	92,768	104,453	117,039	128,625	140,210	151,795	163,380	175,000	
5.36%	57,935	57,935	57,935	57,935	57,935	69,666	81,397	93,128	104,859	116,590	128,321	140,052	151,783	163,514	175,245	
5.37%	58,159	58,159	58,159	58,159	58,159	69,936	81,712	93,488	105,265	117,041	128,818	140,594	152,371	164,147	175,923	
5.38%	58,384	58,384	58,384	58,384	58,384	70,205	82,027	93,849	105,671	117,943	129,315	141,137	152,959	164,781	176,602	
5.39%	58,608	58,608	58,608	58,608	58,608	70,476	82,343	94,210	106,078	119,945	129,813	141,680	153,547	165,415	177,282	

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
5.40%	58,833	58,833	58,833	58,833	58,833	70,746	82,659	94,572	106,485	118,398	130,311	142,224	154,136	166,049	177,962
5.41%	59,058	59,058	59,058	59,058	59,058	71,017	82,975	94,932	106,892	118,851	130,809	142,768	154,726	166,685	178,643
5.42%	59,284	59,284	59,284	59,284	59,284	71,217	83,292	95,296	107,300	119,304	131,308	143,312	155,316	167,321	179,325
5.43%	59,509	59,509	59,509	59,509	59,509	71,559	83,609	95,658	107,708	119,758	131,808	143,858	155,907	167,957	180,007
5.44%	59,735	59,735	59,735	59,735	59,735	71,830	83,926	96,021	108,117	120,212	132,308	144,403	156,499	168,594	180,690
5.45%	59,961	59,961	59,961	59,961	59,961	72,102	84,243	96,384	108,526	120,667	132,808	144,949	157,091	169,232	181,373
5.46%	60,187	60,187	60,187	60,187	60,187	72,374	84,561	96,748	108,935	121,122	133,309	145,496	157,683	169,870	182,057
5.47%	60,413	60,413	60,413	60,413	60,413	72,646	84,879	97,112	109,345	121,578	133,811	146,043	158,276	170,509	182,742
5.48%	60,640	60,640	60,640	60,640	60,640	72,919	85,197	97,476	109,755	122,034	134,312	146,591	158,870	171,149	183,427
5.49%	60,867	60,867	60,867	60,867	60,867	73,191	85,516	97,841	110,165	122,490	134,815	147,139	159,464	171,789	184,114
5.50%	61,094	61,094	61,094	61,094	61,094	73,464	85,835	98,206	110,576	122,947	135,318	147,688	160,059	172,430	184,801
5.51%	61,321	61,321	61,321	61,321	61,321	73,738	86,154	98,571	110,988	123,404	135,821	148,238	160,654	173,071	185,488
5.52%	61,548	61,548	61,548	61,548	61,548	74,011	86,474	98,937	111,399	123,862	136,325	148,787	161,250	173,713	186,176
5.53%	61,776	61,776	61,776	61,776	61,776	74,285	86,794	99,303	111,811	124,320	136,829	149,338	161,847	174,355	186,864
5.54%	62,004	62,004	62,004	62,004	62,004	74,559	87,114	99,669	112,224	124,779	137,334	149,889	162,444	174,999	187,554
5.55%	62,232	62,232	62,232	62,232	62,232	74,833	87,434	100,035	112,637	125,238	137,839	150,440	163,041	175,642	188,244
5.56%	62,460	62,460	62,460	62,460	62,460	75,108	87,755	100,402	113,050	125,697	138,345	150,992	163,639	176,287	188,934
5.57%	62,689	62,689	62,689	62,689	62,689	75,383	88,076	100,770	113,464	126,157	138,851	151,544	164,238	176,932	189,625
5.58%	62,918	62,918	62,918	62,918	62,918	75,658	88,398	101,138	113,878	126,618	139,357	152,097	164,837	177,577	190,317
5.59%	63,147	63,147	63,147	63,147	63,147	75,933	88,719	101,506	114,292	127,078	139,865	152,651	165,437	178,224	191,010
5.60%	63,376	63,376	63,376	63,376	63,376	76,209	89,041	101,874	114,707	127,540	140,372	153,205	166,038	178,870	191,703
5.61%	63,605	63,605	63,605	63,605	63,605	76,484	89,364	102,243	115,122	128,001	140,880	153,760	166,639	179,518	192,397
5.62%	63,835	63,835	63,835	63,835	63,835	76,760	89,686	102,612	115,538	128,463	141,389	154,315	167,240	180,166	193,092
5.63%	64,065	64,065	64,065	64,065	64,065	77,037	90,009	102,981	115,954	128,926	141,898	154,870	167,842	180,815	193,787
5.64%	64,295	64,295	64,295	64,295	64,295	77,314	90,332	103,351	116,370	129,389	142,408	155,426	168,445	181,464	194,483
5.65%	64,525	64,525	64,525	64,525	64,525	77,590	90,656	103,721	116,787	129,852	142,918	155,963	168,949	182,114	195,179
5.66%	64,755	64,755	64,755	64,755	64,755	77,868	90,980	104,092	117,204	130,316	143,428	156,540	169,652	182,765	195,877
5.67%	64,986	64,986	64,986	64,986	64,986	78,145	91,304	104,463	117,622	130,780	143,939	157,098	170,257	183,416	196,575
5.68%	65,217	65,217	65,217	65,217	65,217	78,423	91,628	104,834	118,040	131,245	144,451	157,656	170,862	184,068	197,273
5.69%	65,448	65,448	65,448	65,448	65,448	78,701	91,953	105,206	118,458	131,710	144,963	158,215	171,468	184,720	197,972
5.70%	65,680	65,680	65,680	65,680	65,680	78,979	92,278	105,577	118,877	132,176	145,475	158,774	172,074	185,373	198,672
5.71%	65,911	65,911	65,911	65,911	65,911	79,257	92,604	105,950	119,296	132,642	145,988	159,334	172,680	186,027	199,373
5.72%	66,143	66,143	66,143	66,143	66,143	79,536	92,929	106,322	119,715	133,109	146,502	159,895	173,288	186,681	200,074
5.73%	66,375	66,375	66,375	66,375	66,375	79,815	93,255	106,695	120,135	133,576	147,016	160,456	173,896	187,336	200,776
5.74%	66,607	66,607	66,607	66,607	66,607	80,095	93,582	107,069	120,556	134,040	147,530	161,017	174,904	188,991	201,479
5.75%	66,840	66,840	66,840	66,840	66,840	80,374	93,908	107,442	120,977	134,511	148,045	161,579	175,513	188,648	202,182
5.76%	67,073	67,073	67,073	67,073	67,073	80,654	94,235	107,817	121,398	134,979	148,560	162,142	176,023	189,304	202,886
5.77%	67,306	67,306	67,306	67,306	67,306	80,934	94,563	108,191	121,819	135,448	149,076	162,705	176,533	189,962	203,590
5.78%	67,539	67,539	67,539	67,539	67,539	81,214	94,890	108,566	122,241	135,917	149,593	163,269	177,044	190,620	204,296
5.79%	67,772	67,772	67,772	67,772	67,772	81,495	95,218	108,941	122,664	136,387	150,110	163,833	177,556	191,279	205,002

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)															
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
5.80%	68,006	68,006	68,006	68,006	68,006	81,776	95,546	109,316	123,087	136,857	150,627	164,397	178,168	191,938	205,708	
5.81%	68,240	68,240	68,240	68,240	68,240	82,057	95,827	109,597	123,368	137,138	150,908	164,678	178,448	192,218	205,988	
5.82%	68,474	68,474	68,474	68,474	68,474	82,300	96,070	110,840	124,610	138,380	152,150	165,920	179,690	193,460	207,230	
5.83%	68,708	68,708	68,708	68,708	68,708	82,543	96,313	111,083	124,853	138,623	152,393	166,163	179,933	193,703	207,473	
5.84%	68,942	68,942	68,942	68,942	68,942	82,786	96,556	111,326	125,096	138,866	152,636	166,406	180,176	193,946	207,716	
5.85%	69,177	69,177	69,177	69,177	69,177	83,029	96,800	111,569	125,339	139,109	152,879	166,649	180,419	194,189	207,956	
5.86%	69,412	69,412	69,412	69,412	69,412	83,272	97,043	111,809	125,579	139,353	153,123	166,893	180,663	194,433	208,226	
5.87%	69,647	69,647	69,647	69,647	69,647	83,515	97,286	112,052	125,822	139,597	153,367	167,137	180,907	194,677	208,461	
5.88%	69,883	69,883	69,883	69,883	69,883	83,758	97,529	112,295	126,066	140,160	154,263	168,366	182,469	196,572	210,675	
5.89%	70,118	70,118	70,118	70,118	70,118	84,001	97,772	112,539	126,310	140,634	154,785	168,935	183,085	197,236	211,386	
5.90%	70,354	70,354	70,354	70,354	70,354	84,244	98,015	112,782	126,553	141,108	155,306	169,456	183,606	197,757	211,639	
5.91%	70,590	70,590	70,590	70,590	70,590	84,487	98,258	113,025	126,796	141,551	155,549	169,699	183,851	198,002	211,892	
5.92%	70,827	70,827	70,827	70,827	70,827	84,730	98,501	113,268	127,039	141,994	155,792	170,144	184,294	198,444	212,145	
5.93%	71,063	71,063	71,063	71,063	71,063	84,973	98,744	113,511	127,282	142,437	156,035	170,387	184,537	198,687	212,396	
5.94%	71,300	71,300	71,300	71,300	71,300	85,216	99,000	113,754	127,525	142,880	156,278	170,630	184,780	198,930	212,647	
5.95%	71,537	71,537	71,537	71,537	71,537	85,459	99,247	114,000	127,768	143,323	156,521	170,873	185,023	199,180	212,898	
5.96%	71,774	71,774	71,774	71,774	71,774	85,702	99,490	114,247	128,011	143,566	156,764	171,116	185,266	199,427	213,149	
5.97%	72,012	72,012	72,012	72,012	72,012	85,945	99,733	114,490	128,254	143,809	157,007	171,359	185,509	199,670	213,400	
5.98%	72,249	72,249	72,249	72,249	72,249	86,188	99,976	114,733	128,497	144,052	157,250	171,602	185,752	199,913	213,651	
5.99%	72,487	72,487	72,487	72,487	72,487	86,431	100,219	114,976	128,740	144,295	157,493	171,845	185,995	200,164	213,902	
6.00%	72,725	72,725	72,725	72,725	72,725	86,674	100,462	115,219	129,000	144,538	157,736	172,088	186,238	200,413	214,153	
6.01%	72,964	72,964	72,964	72,964	72,964	86,917	100,705	115,462	129,243	144,781	157,979	172,331	186,481	200,656	214,404	
6.02%	73,202	73,202	73,202	73,202	73,202	87,160	100,948	115,705	129,486	145,024	158,222	172,574	186,724	200,900	214,655	
6.03%	73,441	73,441	73,441	73,441	73,441	87,403	101,191	115,948	129,729	145,267	158,465	172,817	186,967	201,143	214,906	
6.04%	73,680	73,680	73,680	73,680	73,680	87,646	101,434	116,191	130,000	145,509	158,708	173,060	187,209	201,386	215,157	
6.05%	73,920	73,920	73,920	73,920	73,920	87,889	101,677	116,434	130,243	145,752	158,951	173,303	187,451	201,624	215,408	
6.06%	74,159	74,159	74,159	74,159	74,159	88,132	101,920	116,677	130,486	146,000	159,193	173,546	187,694	201,862	215,659	
6.07%	74,399	74,399	74,399	74,399	74,399	88,375	102,163	116,920	130,729	146,243	159,436	173,789	187,936	202,100	215,910	
6.08%	74,639	74,639	74,639	74,639	74,639	88,618	102,406	117,163	130,972	146,486	159,679	174,032	188,179	202,338	216,161	
6.09%	74,879	74,879	74,879	74,879	74,879	88,861	102,649	117,406	131,215	146,729	159,922	174,275	188,422	202,576	216,412	
6.10%	75,120	75,120	75,120	75,120	75,120	89,104	102,892	117,649	131,458	146,972	160,165	174,518	188,665	202,815	216,663	
6.11%	75,361	75,361	75,361	75,361	75,361	89,347	103,135	117,892	131,701	147,215	160,408	174,761	188,908	203,053	216,914	
6.12%	75,602	75,602	75,602	75,602	75,602	89,590	103,378	118,135	131,944	147,458	160,651	175,004	189,151	203,292	217,165	
6.13%	75,843	75,843	75,843	75,843	75,843	89,833	103,621	118,378	132,187	147,701	160,894	175,247	189,394	203,535	217,416	
6.14%	76,084	76,084	76,084	76,084	76,084	90,076	103,864	118,621	132,430	147,944	161,137	175,490	189,637	203,778	217,667	
6.15%	76,326	76,326	76,326	76,326	76,326	90,319	104,107	118,864	132,673	148,187	161,380	175,733	189,880	204,020	217,918	
6.16%	76,568	76,568	76,568	76,568	76,568	90,562	104,350	119,107	132,916	148,430	161,623	175,976	190,123	204,263	218,169	
6.17%	76,810	76,810	76,810	76,810	76,810	90,805	104,593	119,350	133,159	148,673	161,866	176,219	190,366	204,506	218,420	
6.18%	77,052	77,052	77,052	77,052	77,052	91,048	104,836	119,593	133,402	148,916	162,109	176,462	190,610	204,749	218,671	
6.19%	77,295	77,295	77,295	77,295	77,295	91,291	105,079	119,836	133,645	149,159	162,352	176,705	190,853	205,000	218,922	

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)														
6.20%	77,538	77,538	77,538	77,538	77,538	93,238	108,938	124,639	140,339	156,039	171,740	187,440	203,141	218,841	234,541
6.21%	77,781	77,781	77,781	77,781	77,781	93,530	109,230	124,930	140,630	156,330	172,030	187,730	203,430	219,130	234,830
6.22%	78,024	78,024	78,024	78,024	78,024	93,823	109,523	125,223	140,923	156,623	172,323	188,023	203,723	219,423	235,123
6.23%	78,268	78,268	78,268	78,268	78,268	94,116	109,816	125,516	141,216	156,916	172,616	188,316	204,016	219,716	235,416
6.24%	78,512	78,512	78,512	78,512	78,512	94,409	110,109	125,809	141,509	157,209	172,909	188,609	204,309	220,009	235,709
6.25%	78,756	78,756	78,756	78,756	78,756	94,702	110,402	126,102	141,802	157,502	173,202	188,902	204,602	220,302	236,002
6.26%	79,000	79,000	79,000	79,000	79,000	94,996	110,696	126,396	142,106	157,806	173,506	189,206	204,906	220,606	236,306
6.27%	79,244	79,244	79,244	79,244	79,244	95,290	111,090	126,690	142,400	158,100	173,800	189,500	205,200	220,900	236,600
6.28%	79,489	79,489	79,489	79,489	79,489	95,585	111,385	127,085	142,700	158,400	174,100	189,800	205,500	221,200	236,900
6.29%	79,734	79,734	79,734	79,734	79,734	95,879	111,680	127,379	143,000	158,700	174,400	190,100	205,800	221,500	237,200
6.30%	79,979	79,979	79,979	79,979	79,979	96,174	111,974	127,674	143,300	159,000	174,700	190,400	206,100	221,800	237,500
6.31%	80,225	80,225	80,225	80,225	80,225	96,469	112,269	127,969	143,600	159,300	175,000	190,700	206,400	222,100	237,800
6.32%	80,471	80,471	80,471	80,471	80,471	96,765	112,565	128,265	143,900	159,600	175,300	191,000	206,700	222,400	238,100
6.33%	80,717	80,717	80,717	80,717	80,717	97,061	112,861	128,561	144,200	159,900	175,600	191,300	207,000	222,700	238,400
6.34%	80,963	80,963	80,963	80,963	80,963	97,357	113,157	128,857	144,500	160,200	175,900	191,600	207,300	223,000	238,700
6.35%	81,209	81,209	81,209	81,209	81,209	97,653	113,453	129,153	144,800	160,500	176,200	191,900	207,600	223,300	239,000
6.36%	81,456	81,456	81,456	81,456	81,456	97,950	113,750	129,450	145,100	160,800	176,500	192,200	207,900	223,600	239,300
6.37%	81,703	81,703	81,703	81,703	81,703	98,247	114,050	129,750	145,400	161,100	176,800	192,500	208,200	223,900	239,600
6.38%	81,950	81,950	81,950	81,950	81,950	98,544	114,350	130,050	145,700	161,400	177,100	192,800	208,500	224,200	240,000
6.39%	82,197	82,197	82,197	82,197	82,197	98,841	114,650	130,350	146,000	161,700	177,400	193,100	208,800	224,500	240,300
6.40%	82,445	82,445	82,445	82,445	82,445	99,139	114,950	130,650	146,300	162,000	177,700	193,400	209,100	224,800	240,600
6.41%	82,693	82,693	82,693	82,693	82,693	99,437	115,250	130,950	146,600	162,300	178,000	193,700	209,400	225,100	240,900
6.42%	82,941	82,941	82,941	82,941	82,941	99,736	115,550	131,250	146,900	162,600	178,300	194,000	209,700	225,400	241,200
6.43%	83,190	83,190	83,190	83,190	83,190	100,034	115,850	131,550	147,200	162,900	178,600	194,300	210,000	225,700	241,500
6.44%	83,438	83,438	83,438	83,438	83,438	100,333	116,150	131,850	147,500	163,200	178,900	194,600	210,300	226,000	241,800
6.45%	83,687	83,687	83,687	83,687	83,687	100,633	116,450	132,150	147,800	163,500	179,200	194,900	210,600	226,300	242,100
6.46%	83,936	83,936	83,936	83,936	83,936	100,932	116,750	132,450	148,100	163,800	179,500	195,200	210,900	226,600	242,400
6.47%	84,186	84,186	84,186	84,186	84,186	101,232	117,050	132,750	148,400	164,100	179,800	195,500	211,200	226,900	242,700
6.48%	84,435	84,435	84,435	84,435	84,435	101,532	117,350	133,050	148,700	164,400	180,100	195,800	211,500	227,200	243,000
6.49%	84,685	84,685	84,685	84,685	84,685	101,833	117,650	133,350	149,000	164,700	180,400	196,100	211,800	227,500	243,300
6.50%	84,935	84,935	84,935	84,935	84,935	102,134	117,950	133,650	149,300	165,000	180,700	196,400	212,100	227,800	243,600
6.51%	85,186	85,186	85,186	85,186	85,186	102,435	118,250	133,950	149,600	165,300	181,000	196,700	212,400	228,100	243,900
6.52%	85,437	85,437	85,437	85,437	85,437	102,736	118,550	134,250	149,900	165,600	181,300	197,000	212,700	228,400	244,200
6.53%	85,687	85,687	85,687	85,687	85,687	103,038	118,850	134,550	150,200	165,900	181,600	197,300	213,000	228,700	244,500
6.54%	85,939	85,939	85,939	85,939	85,939	103,340	119,150	134,850	150,500	166,200	181,900	197,600	213,300	229,000	244,800
6.55%	86,190	86,190	86,190	86,190	86,190	103,642	119,450	135,150	150,800	166,500	182,200	197,900	213,600	229,300	245,100
6.56%	86,442	86,442	86,442	86,442	86,442	103,945	119,750	135,450	151,100	166,800	182,500	198,200	213,900	229,600	245,400
6.57%	86,693	86,693	86,693	86,693	86,693	104,248	120,050	135,750	151,400	167,100	182,800	198,500	214,200	229,900	245,700
6.58%	86,946	86,946	86,946	86,946	86,946	104,551	120,350	136,050	151,700	167,400	183,100	198,800	214,500	230,200	246,000
6.59%	87,198	87,198	87,198	87,198	87,198	104,854	120,650	136,350	152,000	167,700	183,400	199,100	214,800	230,500	246,300

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)(B)														
6.60%	87,451	87,451	87,451	87,451	87,451	105,158	122,866	140,573	158,281	175,989	193,696	211,404	229,111	246,819	264,527
6.61%	87,704	87,704	87,704	87,704	87,704	105,462	123,221	140,980	158,739	176,498	194,256	212,015	229,774	247,533	265,292
6.62%	87,957	87,957	87,957	87,957	87,957	105,767	123,527	141,307	159,107	176,907	194,707	212,507	230,307	248,107	265,907
6.63%	88,210	88,210	88,210	88,210	88,210	106,072	123,933	141,794	159,666	177,517	195,378	213,240	231,101	248,963	266,824
6.64%	88,464	88,464	88,464	88,464	88,464	106,377	124,289	142,202	160,115	178,028	195,940	213,853	231,766	249,678	267,591
6.65%	88,718	88,718	88,718	88,718	88,718	106,682	124,646	142,610	160,574	178,539	196,503	214,467	232,431	250,395	268,359
6.66%	88,972	88,972	88,972	88,972	88,972	106,988	125,003	143,019	161,034	179,050	197,066	215,081	233,097	251,113	269,128
6.67%	89,226	89,226	89,226	89,226	89,226	107,293	125,361	143,428	161,495	179,562	197,629	215,696	233,763	251,831	269,898
6.68%	89,481	89,481	89,481	89,481	89,481	107,600	125,718	143,837	161,956	180,075	198,193	216,312	234,431	252,549	270,668
6.69%	89,736	89,736	89,736	89,736	89,736	107,906	126,077	144,247	162,417	180,588	198,758	216,928	235,099	253,269	271,439
6.70%	89,991	89,991	89,991	89,991	89,991	108,213	126,435	144,657	162,879	181,101	199,323	217,545	235,767	253,989	272,211
6.71%	90,247	90,247	90,247	90,247	90,247	108,520	126,794	145,068	163,342	181,615	199,889	218,163	236,436	254,710	272,984
6.72%	90,502	90,502	90,502	90,502	90,502	108,828	127,153	145,479	163,804	182,130	200,455	218,781	237,106	255,432	273,757
6.73%	90,758	90,758	90,758	90,758	90,758	109,136	127,513	145,890	164,268	182,645	201,022	219,400	237,777	256,154	274,532
6.74%	91,014	91,014	91,014	91,014	91,014	109,444	127,873	146,302	164,731	183,161	201,590	220,019	238,448	256,877	275,307
6.75%	91,271	91,271	91,271	91,271	91,271	109,752	128,233	146,714	165,196	183,677	202,158	220,639	239,120	257,601	276,082
6.76%	91,528	91,528	91,528	91,528	91,528	110,061	128,594	147,127	165,660	184,193	202,727	221,260	239,793	258,326	276,859
6.77%	91,785	91,785	91,785	91,785	91,785	110,370	128,955	147,540	166,125	184,711	203,296	221,881	240,466	259,051	277,636
6.78%	92,042	92,042	92,042	92,042	92,042	110,679	129,316	147,954	166,591	185,228	203,866	222,503	241,140	259,777	278,415
6.79%	92,299	92,299	92,299	92,299	92,299	110,989	129,678	148,368	167,057	185,747	204,436	223,125	241,815	260,504	279,194
6.80%	92,557	92,557	92,557	92,557	92,557	111,299	130,040	148,782	167,524	186,265	205,007	223,748	242,490	261,232	279,973
6.81%	92,815	92,815	92,815	92,815	92,815	111,609	130,403	149,197	167,991	186,785	205,578	224,372	243,166	261,960	280,754
6.82%	93,074	93,074	93,074	93,074	93,074	111,920	130,766	149,612	168,458	187,304	206,151	224,997	243,843	262,689	281,535
6.83%	93,332	93,332	93,332	93,332	93,332	112,231	131,129	150,028	169,026	187,825	206,723	225,622	244,520	263,419	282,317
6.84%	93,591	93,591	93,591	93,591	93,591	112,542	131,493	150,444	169,395	188,346	207,296	226,247	245,198	264,149	283,100
6.85%	93,850	93,850	93,850	93,850	93,850	112,853	131,857	150,860	169,864	188,867	207,870	226,874	245,877	264,880	283,884
6.86%	94,109	94,109	94,109	94,109	94,109	113,165	132,221	151,277	170,333	189,389	208,445	227,501	246,556	265,612	284,668
6.87%	94,369	94,369	94,369	94,369	94,369	113,477	132,586	151,694	170,803	189,911	209,020	228,128	247,237	266,345	285,454
6.88%	94,629	94,629	94,629	94,629	94,629	113,790	132,951	152,112	171,273	190,434	209,595	228,756	247,917	267,079	286,240
6.89%	94,889	94,889	94,889	94,889	94,889	114,103	133,316	152,530	171,744	190,958	210,171	229,385	248,599	267,813	287,026
6.90%	95,149	95,149	95,149	95,149	95,149	114,416	133,682	152,949	172,113	191,482	210,748	230,015	249,281	268,548	287,814
6.91%	95,410	95,410	95,410	95,410	95,410	114,729	134,049	153,368	172,487	192,006	211,326	230,645	249,964	269,283	288,603
6.92%	95,671	95,671	95,671	95,671	95,671	115,043	134,415	153,737	172,759	192,531	211,903	231,276	250,648	270,020	289,392
6.93%	95,932	95,932	95,932	95,932	95,932	115,357	134,782	154,207	173,032	193,057	212,482	231,907	251,332	270,757	290,182
6.94%	96,194	96,194	96,194	96,194	96,194	115,672	135,149	154,627	173,306	193,583	213,061	232,539	252,017	271,495	290,973
6.95%	96,455	96,455	96,455	96,455	96,455	115,986	135,517	155,048	173,579	194,110	213,641	233,172	252,502	272,234	291,764
6.96%	96,717	96,717	96,717	96,717	96,717	116,301	135,885	155,469	174,063	194,637	214,221	233,805	253,389	272,973	292,557
6.97%	96,980	96,980	96,980	96,980	96,980	116,617	136,254	155,891	174,528	195,165	214,802	234,439	254,076	273,713	293,350
6.98%	97,242	97,242	97,242	97,242	97,242	116,932	136,623	156,313	175,003	195,693	215,383	235,074	254,764	274,454	294,144
6.99%	97,505	97,505	97,505	97,505	97,505	117,248	136,992	156,735	175,479	196,222	215,965	235,709	255,452	275,196	294,939

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
7.00%	97,768	97,768	97,768	97,768	97,768	117,565	137,361	157,158	176,955	196,751	216,548	236,345	256,142	275,938	295,735
7.01%	98,031	98,031	98,031	98,031	98,031	117,881	137,677	157,474	177,271	197,067	216,864	236,661	256,458	276,255	296,052
7.02%	98,295	98,295	98,295	98,295	98,295	118,198	138,022	157,846	177,670	197,494	217,318	237,142	256,966	276,790	296,614
7.03%	98,559	98,559	98,559	98,559	98,559	118,516	138,472	158,329	178,192	198,058	217,924	237,790	257,656	277,522	297,388
7.04%	98,823	98,823	98,823	98,823	98,823	118,833	138,843	158,696	178,560	198,426	218,292	238,158	258,024	277,890	297,756
7.05%	99,087	99,087	99,087	99,087	99,087	119,151	139,215	159,078	178,942	198,808	218,674	238,540	258,406	278,272	298,138
7.06%	99,352	99,352	99,352	99,352	99,352	119,469	139,587	159,500	179,364	199,228	219,092	238,956	258,820	278,684	298,548
7.07%	99,617	99,617	99,617	99,617	99,617	119,788	139,959	159,822	179,685	199,548	219,412	239,275	259,138	279,002	298,865
7.08%	99,882	99,882	99,882	99,882	99,882	120,107	140,332	160,156	180,019	199,882	219,745	239,608	259,471	279,334	299,197
7.09%	100,148	100,148	100,148	100,148	100,148	120,426	140,705	160,584	180,463	200,342	220,221	240,100	260,019	280,008	300,026
7.10%	100,413	100,413	100,413	100,413	100,413	120,746	141,078	161,010	181,000	201,000	221,000	241,000	261,000	281,000	301,000
7.11%	100,679	100,679	100,679	100,679	100,679	121,066	141,452	161,488	181,584	201,690	221,807	241,924	262,041	282,158	302,275
7.12%	100,946	100,946	100,946	100,946	100,946	121,386	141,826	161,912	182,058	202,215	222,372	242,529	262,686	282,843	302,999
7.13%	101,212	101,212	101,212	101,212	101,212	121,706	142,200	162,336	182,532	202,738	222,944	243,150	263,356	283,562	303,768
7.14%	101,479	101,479	101,479	101,479	101,479	122,027	142,575	162,752	183,038	203,334	223,630	243,926	264,222	284,518	304,814
7.15%	101,746	101,746	101,746	101,746	101,746	122,348	142,951	163,168	183,494	203,820	224,146	244,472	264,798	285,124	305,450
7.16%	102,014	102,014	102,014	102,014	102,014	122,670	143,326	163,592	184,038	204,484	224,930	245,376	265,772	286,168	306,564
7.17%	102,281	102,281	102,281	102,281	102,281	122,992	143,702	164,018	184,534	205,050	225,582	246,114	266,560	287,026	307,490
7.18%	102,549	102,549	102,549	102,549	102,549	123,314	144,079	164,444	185,094	205,834	226,574	247,314	268,060	288,796	309,532
7.19%	102,817	102,817	102,817	102,817	102,817	123,637	144,456	164,868	185,638	206,524	227,364	248,204	269,040	289,876	310,716
7.20%	103,086	103,086	103,086	103,086	103,086	123,959	144,833	165,275	186,166	207,166	228,116	249,066	270,016	290,966	311,916
7.21%	103,355	103,355	103,355	103,355	103,355	124,283	145,211	165,697	186,647	207,657	228,717	249,727	270,787	291,837	322,887
7.22%	103,624	103,624	103,624	103,624	103,624	124,606	145,599	166,171	187,181	208,251	229,371	250,491	271,611	292,731	323,841
7.23%	103,893	103,893	103,893	103,893	103,893	124,930	146,037	166,704	187,774	208,904	230,114	251,234	272,354	293,474	324,794
7.24%	104,163	104,163	104,163	104,163	104,163	125,254	146,466	167,237	188,367	209,527	230,777	251,927	273,077	294,227	325,747
7.25%	104,433	104,433	104,433	104,433	104,433	125,579	146,895	167,770	189,000	210,217	231,467	252,617	273,767	294,917	326,697
7.26%	104,703	104,703	104,703	104,703	104,703	125,904	147,324	168,293	190,438	210,707	232,007	253,157	274,307	295,457	327,647
7.27%	104,973	104,973	104,973	104,973	104,973	126,229	147,753	168,817	191,002	211,196	232,507	253,657	274,807	296,007	328,597
7.28%	105,244	105,244	105,244	105,244	105,244	126,554	148,182	169,350	191,556	211,790	233,007	254,157	275,307	296,457	329,547
7.29%	105,515	105,515	105,515	105,515	105,515	126,880	148,611	169,874	192,080	212,384	233,601	254,752	275,907	296,907	330,497
7.30%	105,786	105,786	105,786	105,786	105,786	127,203	149,039	170,402	192,594	212,978	234,199	255,352	276,457	297,357	331,447
7.31%	106,058	106,058	106,058	106,058	106,058	127,533	149,468	170,921	193,108	213,572	234,803	255,967	277,017	297,857	332,397
7.32%	106,330	106,330	106,330	106,330	106,330	127,860	149,897	171,344	193,622	214,166	235,417	256,572	277,517	298,357	333,347
7.33%	106,602	106,602	106,602	106,602	106,602	128,187	149,773	171,769	194,137	214,760	236,012	257,127	278,017	298,857	334,297
7.34%	106,874	106,874	106,874	106,874	106,874	128,515	150,155	172,194	194,652	215,354	236,607	257,682	278,517	299,357	335,247
7.35%	107,147	107,147	107,147	107,147	107,147	128,843	150,539	172,734	195,167	215,948	237,192	258,237	279,017	299,857	336,197
7.36%	107,420	107,420	107,420	107,420	107,420	129,171	150,922	173,273	195,682	216,542	237,787	258,826	279,517	300,357	337,147
7.37%	107,693	107,693	107,693	107,693	107,693	129,500	151,306	173,802	196,207	217,136	238,382	259,416	280,017	300,857	338,097
7.38%	107,967	107,967	107,967	107,967	107,967	129,829	151,690	174,331	196,732	217,730	238,977	260,005	280,517	301,357	339,047
7.39%	108,241	108,241	108,241	108,241	108,241	130,158	152,075	174,860	197,257	218,324	239,572	260,599	281,017	301,857	340,007

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
7.40%	108,515	108,515	108,515	108,515	108,515	130,487	152,460	174,433	196,406	218,379	240,351	262,324	284,297	306,270	328,242
7.41%	108,789	108,789	108,789	108,789	108,789	130,817	152,846	174,874	196,902	218,931	240,959	262,987	285,016	307,044	329,072
7.42%	109,064	109,064	109,064	109,064	109,064	131,148	153,232	175,316	197,400	219,484	241,567	263,651	285,735	307,819	329,903
7.43%	109,339	109,339	109,339	109,339	109,339	131,478	153,618	175,758	197,897	220,037	242,177	264,316	286,456	308,595	330,735
7.44%	109,614	109,614	109,614	109,614	109,614	131,809	154,005	176,200	198,395	220,591	242,786	264,982	287,177	309,372	331,568
7.45%	109,890	109,890	109,890	109,890	109,890	132,141	154,392	176,643	198,894	221,145	243,397	265,648	287,899	310,150	332,401
7.46%	110,165	110,165	110,165	110,165	110,165	132,472	154,779	177,086	199,393	221,700	244,008	266,315	288,622	310,929	333,236
7.47%	110,442	110,442	110,442	110,442	110,442	132,804	155,167	177,530	199,893	222,256	244,619	266,982	289,345	311,708	334,071
7.48%	110,718	110,718	110,718	110,718	110,718	133,137	155,556	177,975	200,394	222,812	245,231	267,650	290,089	312,488	334,907
7.49%	110,995	110,995	110,995	110,995	110,995	133,470	155,944	178,419	200,894	223,369	245,844	268,319	290,794	313,269	335,744
7.50%	111,272	111,272	111,272	111,272	111,272	133,803	156,334	178,865	201,396	223,927	246,458	268,989	291,520	314,051	336,582
7.51%	111,549	111,549	111,549	111,549	111,549	134,136	156,723	179,310	201,898	224,485	247,072	269,659	292,246	314,833	337,421
7.52%	111,826	111,826	111,826	111,826	111,826	134,470	157,113	179,757	202,400	225,043	247,687	270,330	292,973	315,617	338,260
7.53%	112,104	112,104	112,104	112,104	112,104	134,804	157,504	180,203	202,903	225,603	248,302	271,002	293,701	316,401	339,101
7.54%	112,383	112,383	112,383	112,383	112,383	135,138	157,894	180,650	203,406	226,162	248,918	271,674	294,430	317,186	339,942
7.55%	112,661	112,661	112,661	112,661	112,661	135,473	158,286	181,098	203,910	226,723	249,535	272,347	295,160	317,972	340,784
7.56%	112,940	112,940	112,940	112,940	112,940	135,808	158,677	181,546	204,415	227,284	250,152	273,021	295,890	318,759	341,627
7.57%	113,219	113,219	113,219	113,219	113,219	136,144	159,069	181,995	204,920	227,845	250,770	273,696	296,621	319,546	342,472
7.58%	113,498	113,498	113,498	113,498	113,498	136,480	159,462	182,444	205,425	228,407	251,389	274,371	297,353	320,335	343,316
7.59%	113,778	113,778	113,778	113,778	113,778	136,816	159,855	182,893	205,931	228,970	252,008	275,047	298,085	321,124	344,162
7.60%	114,058	114,058	114,058	114,058	114,058	137,153	160,248	183,343	206,438	229,533	252,628	275,724	298,619	321,914	345,009
7.61%	114,338	114,338	114,338	114,338	114,338	137,490	160,642	183,793	206,945	230,097	253,249	276,401	299,553	322,705	345,857
7.62%	114,618	114,618	114,618	114,618	114,618	137,827	161,036	184,244	207,453	230,662	253,870	277,079	300,288	323,496	346,705
7.63%	114,899	114,899	114,899	114,899	114,899	138,165	161,430	184,696	207,961	231,227	254,492	277,758	301,023	324,289	347,554
7.64%	115,180	115,180	115,180	115,180	115,180	138,503	161,825	185,148	208,470	231,792	255,115	278,437	301,760	325,082	348,405
7.65%	115,462	115,462	115,462	115,462	115,462	138,841	162,220	185,600	208,979	232,359	255,738	279,118	302,497	325,876	349,256
7.66%	115,743	115,743	115,743	115,743	115,743	139,180	162,616	186,053	209,489	232,926	256,362	279,799	303,235	326,671	350,108
7.67%	116,025	116,025	116,025	116,025	116,025	139,519	163,012	186,506	209,999	233,493	256,987	280,480	303,974	327,467	350,961
7.68%	116,308	116,308	116,308	116,308	116,308	139,858	163,409	186,960	210,510	234,061	257,612	281,163	304,713	328,264	351,815
7.69%	116,590	116,590	116,590	116,590	116,590	140,198	163,806	187,414	211,022	234,630	258,238	281,846	305,454	329,062	352,669
7.70%	116,873	116,873	116,873	116,873	116,873	140,538	164,203	187,869	211,534	235,199	258,864	282,530	306,195	329,860	353,525
7.71%	117,156	117,156	117,156	117,156	117,156	140,879	164,601	188,324	212,046	235,769	259,492	283,214	306,937	330,659	354,382
7.72%	117,440	117,440	117,440	117,440	117,440	141,220	165,000	188,780	212,559	236,339	260,119	283,899	307,679	331,459	355,239
7.73%	117,723	117,723	117,723	117,723	117,723	141,561	165,398	189,236	213,073	236,911	260,748	284,585	308,423	332,260	356,098
7.74%	118,008	118,008	118,008	118,008	118,008	141,902	165,797	189,692	213,587	237,482	261,377	285,272	309,167	333,062	356,957
7.75%	118,292	118,292	118,292	118,292	118,292	142,244	166,192	190,149	214,102	238,055	262,007	285,960	309,912	333,865	357,817
7.76%	118,577	118,577	118,577	118,577	118,577	142,587	166,597	190,607	214,617	238,627	262,638	286,648	310,658	334,668	358,678
7.77%	118,862	118,862	118,862	118,862	118,862	142,929	167,000	191,065	215,133	239,201	263,269	287,337	311,405	335,472	359,540
7.78%	119,147	119,147	119,147	119,147	119,147	143,272	167,398	191,524	215,646	239,775	263,901	288,026	312,152	336,278	360,403
7.79%	119,432	119,432	119,432	119,432	119,432	143,616	167,799	191,983	216,166	240,350	264,533	288,717	312,900	337,084	361,267

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)														
7.80%	119,718	119,718	119,718	119,718	119,718	143,960	168,201	192,442	216,684	240,925	265,166	289,408	313,649	337,891	362,132
7.81%	120,005	120,005	120,005	120,005	120,005	144,304	169,006	192,902	217,202	241,501	265,800	290,100	314,399	338,698	362,998
7.82%	120,291	120,291	120,291	120,291	120,291	144,648	169,606	193,363	217,720	242,019	266,318	290,618	314,917	339,216	363,515
7.83%	120,578	120,578	120,578	120,578	120,578	144,993	169,409	193,824	218,239	242,555	267,070	291,486	315,901	340,316	364,732
7.84%	120,865	120,865	120,865	120,865	120,865	145,338	169,812	194,286	218,759	243,233	267,706	292,180	316,653	341,127	365,600
7.85%	121,152	121,152	121,152	121,152	121,152	145,684	170,216	194,748	219,279	243,811	268,343	292,874	317,406	341,938	366,470
7.86%	121,440	121,440	121,440	121,440	121,440	146,030	170,620	195,210	219,800	244,390	268,980	293,570	318,160	342,750	367,340
7.87%	121,728	121,728	121,728	121,728	121,728	146,376	171,025	195,673	220,321	244,970	269,618	294,266	318,915	343,563	368,211
7.88%	122,016	122,016	122,016	122,016	122,016	146,723	171,430	196,137	220,843	245,550	270,257	294,963	319,670	344,377	369,083
7.89%	122,305	122,305	122,305	122,305	122,305	147,070	171,835	196,601	221,366	246,131	270,896	295,661	320,426	345,191	369,957
7.90%	122,594	122,594	122,594	122,594	122,594	147,418	172,241	197,065	221,889	246,712	271,536	296,360	321,183	346,007	370,831
7.91%	122,883	122,883	122,883	122,883	122,883	147,766	172,648	197,530	222,412	247,294	272,177	297,059	321,941	346,823	371,706
7.92%	123,173	123,173	123,173	123,173	123,173	148,114	173,055	197,995	222,936	247,877	272,818	297,759	322,700	347,641	372,582
7.93%	123,463	123,463	123,463	123,463	123,463	148,462	173,462	198,461	223,461	248,461	273,460	298,460	323,459	348,459	373,458
7.94%	123,753	123,753	123,753	123,753	123,753	148,811	173,870	198,928	223,986	249,045	274,103	299,161	324,220	349,278	374,336
7.95%	124,043	124,043	124,043	124,043	124,043	149,161	174,278	199,395	224,512	249,629	274,746	299,863	324,981	350,098	375,215
7.96%	124,334	124,334	124,334	124,334	124,334	149,510	174,686	199,862	225,038	250,214	275,390	300,567	325,743	350,919	376,095
7.97%	124,625	124,625	124,625	124,625	124,625	149,860	175,095	200,330	225,565	250,800	276,035	301,270	326,505	351,740	376,975
7.98%	124,917	124,917	124,917	124,917	124,917	150,211	175,505	200,799	226,093	251,387	276,681	301,975	327,269	352,563	377,857
7.99%	125,209	125,209	125,209	125,209	125,209	150,562	175,915	201,268	226,621	251,974	277,327	302,680	328,033	353,386	378,739
8.00%	125,501	125,501	125,501	125,501	125,501	150,913	176,325	201,737	227,150	252,562	277,974	303,386	328,798	354,211	379,623
8.01%	125,793	125,793	125,793	125,793	125,793	151,264	176,736	202,207	227,679	253,150	278,622	304,093	329,564	355,036	380,507
8.02%	126,086	126,086	126,086	126,086	126,086	151,616	177,147	202,678	228,208	253,739	279,270	304,801	330,331	355,862	381,393
8.03%	126,379	126,379	126,379	126,379	126,379	151,969	177,559	203,149	228,739	254,329	279,919	305,509	331,099	356,689	382,279
8.04%	126,672	126,672	126,672	126,672	126,672	152,322	177,971	203,620	229,270	254,919	280,589	306,218	331,867	357,517	383,166
8.05%	126,966	126,966	126,966	126,966	126,966	152,675	178,383	204,092	229,801	255,510	281,219	306,928	332,637	358,346	384,054
8.06%	127,260	127,260	127,260	127,260	127,260	153,028	178,796	204,565	230,333	256,102	281,870	307,638	333,407	359,175	384,944
8.07%	127,554	127,554	127,554	127,554	127,554	153,382	179,210	205,038	230,866	256,694	282,522	308,350	334,178	360,006	385,834
8.08%	127,849	127,849	127,849	127,849	127,849	153,736	179,624	205,511	231,399	257,287	283,174	309,062	334,950	360,837	386,725
8.09%	128,143	128,143	128,143	128,143	128,143	154,091	180,038	205,986	231,933	257,880	283,828	309,775	335,722	361,670	387,617
8.10%	128,439	128,439	128,439	128,439	128,439	154,446	180,453	206,460	232,467	258,474	284,481	310,489	336,496	362,503	388,510
8.11%	128,734	128,734	128,734	128,734	128,734	154,801	180,868	206,935	233,002	259,065	285,136	311,203	337,270	363,337	389,404
8.12%	129,030	129,030	129,030	129,030	129,030	155,157	181,284	207,411	233,538	259,665	285,791	311,918	338,045	364,172	390,299
8.13%	129,326	129,326	129,326	129,326	129,326	155,513	181,700	207,887	234,074	260,261	286,447	312,634	338,821	365,008	391,195
8.14%	129,623	129,623	129,623	129,623	129,623	155,870	182,117	208,363	234,610	260,857	287,104	313,351	339,598	365,845	392,092
8.15%	129,920	129,920	129,920	129,920	129,920	156,227	182,534	208,841	235,148	261,455	287,762	314,069	340,376	366,683	392,990
8.16%	130,217	130,217	130,217	130,217	130,217	156,584	182,951	209,318	235,685	262,053	288,420	314,787	341,154	367,521	393,888
8.17%	130,514	130,514	130,514	130,514	130,514	156,942	183,369	209,796	236,224	262,651	289,079	315,506	341,933	368,361	394,788
8.18%	130,812	130,812	130,812	130,812	130,812	157,300	183,787	210,275	236,763	263,251	289,738	316,226	342,714	369,201	395,689
8.19%	131,110	131,110	131,110	131,110	131,110	157,658	184,206	210,754	237,302	263,851	290,399	316,947	343,495	370,043	396,591

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
8.20%	131,409	131,409	131,409	131,409	131,409	158,017	184,626	211,234	237,843	264,451	291,060	317,668	344,277	370,885	397,494
8.21%	131,707	131,707	131,707	131,707	131,707	158,376	185,045	211,714	238,383	265,052	291,721	318,390	345,059	371,728	398,397
8.22%	132,006	132,006	132,006	132,006	132,006	158,736	185,466	212,195	238,833	265,562	292,384	319,113	345,843	372,572	399,302
8.23%	132,306	132,306	132,306	132,306	132,306	159,096	185,886	212,676	239,467	266,257	293,047	319,837	346,627	373,418	400,208
8.24%	132,606	132,606	132,606	132,606	132,606	159,457	186,307	213,158	240,009	266,860	293,711	320,562	347,413	374,264	401,114
8.25%	132,906	132,906	132,906	132,906	132,906	159,817	186,729	213,641	240,592	267,464	294,376	321,287	348,199	375,110	402,022
8.26%	133,206	133,206	133,206	133,206	133,206	160,179	187,151	214,124	241,096	268,068	295,041	322,013	348,986	375,958	402,931
8.27%	133,507	133,507	133,507	133,507	133,507	160,540	187,574	214,607	241,640	268,674	295,707	322,740	349,774	376,807	403,840
8.28%	133,808	133,808	133,808	133,808	133,808	160,902	187,997	215,091	242,185	269,279	296,374	323,468	350,562	377,657	404,751
8.29%	134,109	134,109	134,109	134,109	134,109	161,265	188,420	215,575	242,731	269,886	297,041	324,197	351,352	378,507	405,663
8.30%	134,411	134,411	134,411	134,411	134,411	161,627	188,844	216,060	243,277	270,493	297,710	324,926	352,142	379,359	406,575
8.31%	134,713	134,713	134,713	134,713	134,713	161,991	189,268	216,546	243,823	271,101	298,379	325,656	352,934	380,211	407,489
8.32%	135,015	135,015	135,015	135,015	135,015	162,354	189,693	217,032	244,371	271,709	299,048	326,387	353,726	381,065	408,404
8.33%	135,318	135,318	135,318	135,318	135,318	162,718	190,118	217,518	244,919	272,319	299,719	327,119	354,519	381,919	409,319
8.34%	135,621	135,621	135,621	135,621	135,621	163,083	190,544	218,006	245,467	272,928	300,390	327,851	355,313	382,774	410,236
8.35%	135,925	135,925	135,925	135,925	135,925	163,447	190,970	218,493	246,016	273,539	301,062	328,585	356,108	383,631	411,153
8.36%	136,228	136,228	136,228	136,228	136,228	163,813	191,397	218,981	246,566	274,150	301,735	329,319	356,903	384,488	412,072
8.37%	136,532	136,532	136,532	136,532	136,532	164,178	191,824	219,470	247,116	274,762	302,408	330,054	357,700	385,346	412,992
8.38%	136,837	136,837	136,837	136,837	136,837	164,544	192,252	219,959	247,667	275,374	303,082	330,790	358,497	386,205	413,912
8.39%	137,141	137,141	137,141	137,141	137,141	164,911	192,680	220,449	248,218	275,988	303,757	331,526	359,296	387,065	414,834
8.40%	137,446	137,446	137,446	137,446	137,446	165,277	193,108	220,939	248,770	276,602	304,433	332,264	360,095	387,926	415,757
8.41%	137,752	137,752	137,752	137,752	137,752	165,645	193,537	221,430	249,323	277,216	305,109	333,002	360,895	388,788	416,680
8.42%	138,057	138,057	138,057	138,057	138,057	166,012	193,967	221,922	249,876	277,831	305,786	333,741	361,696	389,650	417,605
8.43%	138,363	138,363	138,363	138,363	138,363	166,380	194,397	222,414	250,430	278,447	306,464	334,481	362,497	390,514	418,531
8.44%	138,670	138,670	138,670	138,670	138,670	166,749	194,827	222,906	250,985	279,064	307,142	335,221	363,300	391,379	419,458
8.45%	138,977	138,977	138,977	138,977	138,977	167,117	195,258	223,399	251,540	279,681	307,822	335,963	364,104	392,244	420,385
8.46%	139,284	139,284	139,284	139,284	139,284	167,487	195,690	223,893	252,096	280,299	308,502	336,705	364,908	393,111	421,314
8.47%	139,591	139,591	139,591	139,591	139,591	167,856	196,122	224,387	252,652	280,917	309,183	337,448	365,713	393,979	422,244
8.48%	139,899	139,899	139,899	139,899	139,899	168,226	196,554	224,882	253,209	281,537	309,864	338,192	366,520	394,847	423,175
8.49%	140,207	140,207	140,207	140,207	140,207	168,597	196,987	225,377	253,777	282,157	310,547	338,937	367,327	395,717	424,107
8.50%	140,515	140,515	140,515	140,515	140,515	168,968	197,420	225,872	254,325	282,777	311,230	339,682	368,135	396,587	425,040
8.51%	140,824	140,824	140,824	140,824	140,824	169,339	197,854	226,369	254,884	283,399	311,914	340,429	368,944	397,459	425,973
8.52%	141,133	141,133	141,133	141,133	141,133	169,711	198,288	226,866	255,443	284,021	312,598	341,176	369,753	398,331	426,908
8.53%	141,442	141,442	141,442	141,442	141,442	170,083	198,723	227,363	256,003	284,643	313,284	341,924	370,564	399,204	427,844
8.54%	141,752	141,752	141,752	141,752	141,752	170,455	199,158	227,861	256,564	285,267	313,970	342,673	371,376	400,078	428,781
8.55%	142,062	142,062	142,062	142,062	142,062	170,828	199,594	228,359	257,125	285,891	314,657	343,422	372,188	400,954	429,719
8.56%	142,373	142,373	142,373	142,373	142,373	171,201	200,030	228,859	257,687	286,516	315,344	344,173	373,001	401,830	430,659
8.57%	142,684	142,684	142,684	142,684	142,684	171,575	200,467	229,358	258,250	287,141	316,033	344,924	373,816	402,707	431,599
8.58%	142,995	142,995	142,995	142,995	142,995	171,949	200,904	229,858	258,813	287,767	316,722	345,676	374,631	403,585	432,540
8.59%	143,306	143,306	143,306	143,306	143,306	172,324	201,341	230,359	259,377	288,394	317,412	346,429	375,447	404,465	433,482

SCHEDULE 1

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)														
8.60%	143,618	143,618	143,618	143,618	143,618	172,699	201,780	230,860	259,941	289,022	318,102	347,183	376,264	405,345	434,425
8.61%	143,930	143,930	143,930	143,930	143,930	173,074	202,218	231,362	260,506	289,650	318,794	347,938	377,082	406,226	435,370
8.62%	144,243	144,243	144,243	144,243	144,243	173,450	202,657	231,863	261,072	290,279	319,486	348,693	377,901	407,108	436,315
8.63%	144,556	144,556	144,556	144,556	144,556	173,826	203,097	232,367	261,638	290,909	320,179	349,450	378,720	407,991	437,261
8.64%	144,869	144,869	144,869	144,869	144,869	174,203	203,537	232,871	262,205	291,539	320,873	350,207	379,541	408,875	438,209
8.65%	145,182	145,182	145,182	145,182	145,182	174,580	203,977	233,375	262,772	292,170	321,567	350,965	380,362	409,760	438,157
8.66%	145,496	145,496	145,496	145,496	145,496	174,957	204,419	233,880	263,341	292,802	322,263	351,724	381,185	410,646	440,107
8.67%	145,811	145,811	145,811	145,811	145,811	175,335	204,860	234,385	263,909	293,434	322,959	352,484	382,008	411,533	441,058
8.68%	146,125	146,125	146,125	146,125	146,125	175,714	205,302	234,891	264,479	294,067	323,656	353,244	382,833	412,421	442,009
8.69%	146,440	146,440	146,440	146,440	146,440	176,092	205,745	235,397	265,049	294,701	324,353	354,006	383,658	413,310	442,962
8.70%	146,756	146,756	146,756	146,756	146,756	176,472	206,188	235,904	265,620	295,336	325,052	354,768	384,484	414,200	443,916
8.71%	147,071	147,071	147,071	147,071	147,071	176,851	206,631	236,411	266,191	295,971	325,531	355,531	385,311	415,091	444,871
8.72%	147,387	147,387	147,387	147,387	147,387	177,231	207,075	236,919	266,763	296,607	326,451	356,295	386,139	415,963	445,827
8.73%	147,704	147,704	147,704	147,704	147,704	177,612	207,520	237,428	267,336	297,244	327,152	357,060	386,968	416,876	446,784
8.74%	148,020	148,020	148,020	148,020	148,020	177,993	207,965	237,937	268,009	297,881	327,853	357,826	387,798	417,770	447,742
8.75%	148,338	148,338	148,338	148,338	148,338	178,374	208,410	238,447	268,683	298,519	328,566	358,592	388,628	418,665	448,701
8.76%	148,655	148,655	148,655	148,655	148,655	178,756	208,856	238,957	269,359	299,158	329,259	359,359	389,460	419,561	449,661
8.77%	148,973	148,973	148,973	148,973	148,973	179,138	209,303	239,468	269,933	299,798	329,963	360,128	390,293	420,458	450,623
8.78%	149,291	149,291	149,291	149,291	149,291	179,520	209,750	239,979	270,209	300,438	330,667	360,897	391,126	421,356	451,585
8.79%	149,609	149,609	149,609	149,609	149,609	179,903	210,197	240,491	270,785	301,077	331,373	361,667	391,961	422,255	452,549
8.80%	149,928	149,928	149,928	149,928	149,928	180,287	210,645	241,004	271,362	301,721	332,079	362,438	392,796	423,155	453,513
8.81%	150,248	150,248	150,248	150,248	150,248	180,671	211,094	241,517	271,940	302,363	332,786	363,209	393,633	424,056	454,479
8.82%	150,567	150,567	150,567	150,567	150,567	181,055	211,543	242,031	272,519	303,006	333,494	363,982	394,470	424,958	455,446
8.83%	150,887	150,887	150,887	150,887	150,887	181,440	211,992	242,545	273,098	303,650	334,203	364,755	395,308	425,861	456,413
8.84%	151,207	151,207	151,207	151,207	151,207	181,825	212,442	243,060	273,677	304,295	334,912	365,530	396,147	426,765	457,382
8.85%	151,528	151,528	151,528	151,528	151,528	182,211	212,893	243,575	274,268	304,940	335,623	366,305	396,987	427,670	458,352
8.86%	151,849	151,849	151,849	151,849	151,849	182,597	213,344	244,091	274,839	305,586	336,334	367,081	397,828	428,576	459,323
8.87%	152,171	152,171	152,171	152,171	152,171	182,983	213,796	244,608	275,421	306,233	337,046	367,858	398,671	429,483	460,296
8.88%	152,492	152,492	152,492	152,492	152,492	183,370	214,248	245,125	276,003	306,881	337,758	368,636	399,513	430,391	461,269
8.89%	152,814	152,814	152,814	152,814	152,814	183,757	214,700	245,643	276,586	307,529	338,472	369,415	400,357	431,300	462,243
8.90%	153,137	153,137	153,137	153,137	153,137	184,145	215,153	246,161	277,170	308,178	339,186	370,194	401,202	432,210	463,219
8.91%	153,460	153,460	153,460	153,460	153,460	184,533	215,607	246,680	277,754	308,827	339,901	370,975	402,048	433,122	464,195
8.92%	153,783	153,783	153,783	153,783	153,783	184,922	216,061	247,200	278,339	309,478	340,617	371,756	402,895	434,034	465,173
8.93%	154,107	154,107	154,107	154,107	154,107	185,311	216,516	247,720	278,925	310,129	341,334	372,538	403,743	434,947	466,152
8.94%	154,430	154,430	154,430	154,430	154,430	185,701	216,971	248,241	279,511	310,781	342,051	373,332	404,591	435,861	467,132
8.95%	154,755	154,755	154,755	154,755	154,755	186,091	217,426	248,762	280,098	311,434	342,769	374,105	405,441	436,777	468,113
8.96%	155,079	155,079	155,079	155,079	155,079	186,481	217,883	249,284	280,686	312,087	343,489	374,890	406,292	437,693	469,095
8.97%	155,405	155,405	155,405	155,405	155,405	186,872	218,339	249,807	281,274	312,741	344,209	375,676	407,143	438,611	470,078
8.98%	155,730	155,730	155,730	155,730	155,730	187,263	218,796	250,330	281,863	313,396	344,929	376,463	407,996	439,529	471,062
8.99%	156,056	156,056	156,056	156,056	156,056	187,655	219,254	250,853	282,453	314,052	345,651	377,250	408,849	440,449	472,048

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
9.00%	156,382	156,382	156,382	156,382	156,382	188,047	219,712	251,378	283,043	314,708	346,373	378,039	409,704	441,369	473,034
9.01%	156,708	156,708	156,708	156,708	156,708	188,440	220,171	251,903	283,634	315,365	347,097	378,828	410,559	442,291	474,022
9.02%	157,035	157,035	157,035	157,035	157,035	188,833	220,630	252,428	284,226	316,023	347,821	379,618	411,416	443,213	475,011
9.03%	157,363	157,363	157,363	157,363	157,363	189,226	221,090	252,954	284,818	316,682	348,546	380,409	412,273	444,137	476,001
9.04%	157,690	157,690	157,690	157,690	157,690	189,620	221,551	253,481	285,411	317,341	349,271	381,201	413,132	445,062	476,992
9.05%	158,018	158,018	158,018	158,018	158,018	190,015	222,011	254,008	286,005	318,001	349,998	381,994	413,991	445,987	477,984
9.06%	158,347	158,347	158,347	158,347	158,347	190,410	222,473	254,536	286,599	318,662	350,725	382,788	414,851	446,914	478,977
9.07%	158,675	158,675	158,675	158,675	158,675	190,805	222,935	255,064	287,194	319,324	351,453	383,563	415,713	447,842	479,972
9.08%	159,005	159,005	159,005	159,005	159,005	191,201	223,397	255,593	287,790	319,986	352,182	384,379	416,575	448,771	480,967
9.09%	159,334	159,334	159,334	159,334	159,334	191,597	223,860	256,123	288,386	320,649	352,912	385,175	417,438	449,701	481,964
9.10%	159,664	159,664	159,664	159,664	159,664	191,994	224,324	256,653	288,983	321,113	353,643	385,973	418,302	450,632	482,962
9.11%	159,994	159,994	159,994	159,994	159,994	192,391	224,788	257,184	289,581	321,578	354,374	386,771	418,768	451,564	483,961
9.12%	160,325	160,325	160,325	160,325	160,325	192,788	225,252	257,716	290,179	322,643	355,107	387,570	420,034	452,498	484,961
9.13%	160,656	160,656	160,656	160,656	160,656	193,187	225,717	258,248	290,779	323,309	355,840	388,371	420,901	453,432	485,963
9.14%	160,987	160,987	160,987	160,987	160,987	193,585	226,183	258,781	291,378	323,976	356,574	389,172	421,769	454,367	486,965
9.15%	161,319	161,319	161,319	161,319	161,319	193,984	226,649	259,314	291,979	324,644	357,309	389,974	422,639	455,304	487,969
9.16%	161,651	161,651	161,651	161,651	161,651	194,383	227,116	259,848	292,580	325,312	358,044	390,777	423,509	456,241	488,973
9.17%	161,984	161,984	161,984	161,984	161,984	194,783	227,583	260,382	293,182	325,981	358,781	391,581	424,380	457,180	489,979
9.18%	162,317	162,317	162,317	162,317	162,317	195,184	228,051	260,918	293,785	326,651	359,518	392,385	425,252	458,119	490,986
9.19%	162,650	162,650	162,650	162,650	162,650	195,584	228,519	261,453	294,388	327,322	360,257	393,191	426,126	459,060	491,994
9.20%	162,984	162,984	162,984	162,984	162,984	195,986	228,988	261,990	294,992	327,994	360,996	393,998	427,000	460,002	493,004
9.21%	163,318	163,318	163,318	163,318	163,318	196,387	229,457	262,527	295,596	328,666	361,736	394,805	427,875	460,945	494,014
9.22%	163,652	163,652	163,652	163,652	163,652	196,790	229,927	263,064	296,202	329,339	362,477	395,614	428,751	461,889	495,026
9.23%	163,987	163,987	163,987	163,987	163,987	197,192	230,397	263,603	296,808	330,013	363,218	396,423	429,629	462,834	496,039
9.24%	164,322	164,322	164,322	164,322	164,322	197,595	230,868	264,141	297,415	330,688	363,961	397,234	430,507	463,780	497,053
9.25%	164,658	164,658	164,658	164,658	164,658	197,999	231,340	264,681	298,022	331,363	364,704	398,045	431,386	464,727	498,068
9.26%	164,994	164,994	164,994	164,994	164,994	198,403	231,812	265,221	298,630	332,039	365,448	398,857	432,266	465,675	499,084
9.27%	165,330	165,330	165,330	165,330	165,330	198,807	232,285	265,762	299,239	332,716	366,193	399,670	433,148	466,625	500,102
9.28%	165,667	165,667	165,667	165,667	165,667	199,212	232,758	266,303	299,848	333,394	366,939	400,485	434,030	467,575	501,121
9.29%	166,004	166,004	166,004	166,004	166,004	199,618	233,231	266,845	300,459	334,072	367,686	401,300	434,913	468,527	502,141
9.30%	166,342	166,342	166,342	166,342	166,342	200,024	233,706	267,388	301,079	334,752	368,434	402,116	435,798	469,480	503,162
9.31%	166,680	166,680	166,680	166,680	166,680	200,430	234,181	267,931	301,681	335,432	369,182	402,933	436,683	470,433	504,184
9.32%	167,018	167,018	167,018	167,018	167,018	200,837	234,656	268,475	302,294	336,113	369,932	403,750	437,569	471,388	505,207
9.33%	167,357	167,357	167,357	167,357	167,357	201,244	235,132	269,019	302,907	336,794	370,682	404,569	438,457	472,344	506,232
9.34%	167,696	167,696	167,696	167,696	167,696	201,652	235,608	269,564	303,521	337,477	371,433	405,389	439,345	473,301	507,258
9.35%	168,035	168,035	168,035	168,035	168,035	202,060	236,085	270,110	304,135	338,160	372,185	406,210	440,235	474,260	508,285
9.36%	168,375	168,375	168,375	168,375	168,375	202,469	236,563	270,657	304,750	338,844	372,938	407,031	441,125	475,219	509,313
9.37%	168,716	168,716	168,716	168,716	168,716	202,878	237,041	271,204	305,366	339,529	373,691	407,854	442,017	476,179	510,342
9.38%	169,056	169,056	169,056	169,056	169,056	203,288	237,520	271,751	305,983	340,214	374,446	408,678	442,909	477,141	511,373
9.39%	169,397	169,397	169,397	169,397	169,397	203,698	237,999	272,299	306,600	340,901	375,202	409,502	443,803	478,104	512,404

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
9.40%	169,739	169,739	169,739	169,739	169,739	204,109	238,479	272,848	307,218	341,588	375,958	410,328	444,698	479,067	513,437
9.41%	170,081	170,081	170,081	170,081	170,081	204,520	238,959	273,398	307,837	342,276	376,715	411,154	445,593	480,032	514,471
9.42%	170,423	170,423	170,423	170,423	170,423	204,931	239,440	273,948	308,487	342,926	377,473	411,982	446,490	480,998	515,507
9.43%	170,766	170,766	170,766	170,766	170,766	205,343	239,921	274,499	309,077	343,655	378,232	412,810	447,388	481,966	516,543
9.44%	171,109	171,109	171,109	171,109	171,109	205,756	240,403	275,050	309,698	344,345	378,992	413,639	448,287	482,934	517,581
9.45%	171,452	171,452	171,452	171,452	171,452	206,169	240,886	275,603	310,319	345,036	379,753	414,470	449,186	483,903	518,620
9.46%	171,796	171,796	171,796	171,796	171,796	206,583	241,369	276,155	310,942	345,728	380,515	415,301	450,087	484,874	519,660
9.47%	172,140	172,140	172,140	172,140	172,140	206,996	241,853	276,709	311,565	346,421	381,277	416,133	450,989	485,845	520,702
9.48%	172,485	172,485	172,485	172,485	172,485	207,411	242,337	277,263	312,189	347,115	382,041	416,966	451,892	486,818	521,744
9.49%	172,830	172,830	172,830	172,830	172,830	207,826	242,822	277,818	312,813	347,809	382,805	417,801	452,796	487,792	522,788
9.50%	173,176	173,176	173,176	173,176	173,176	208,241	243,307	278,373	313,439	348,504	383,570	418,636	453,702	488,767	523,833
9.51%	173,521	173,521	173,521	173,521	173,521	208,657	243,793	278,929	314,065	349,200	384,336	419,472	454,608	489,744	524,879
9.52%	173,868	173,868	173,868	173,868	173,868	209,074	244,280	279,486	314,691	349,897	385,103	420,309	455,515	490,721	525,927
9.53%	174,214	174,214	174,214	174,214	174,214	209,491	244,767	280,043	315,319	350,595	385,871	421,147	456,423	491,699	526,976
9.54%	174,562	174,562	174,562	174,562	174,562	209,908	245,254	280,601	315,947	351,294	386,640	421,986	457,333	492,679	528,026
9.55%	174,909	174,909	174,909	174,909	174,909	210,326	245,743	281,159	316,576	351,993	387,410	422,826	458,243	493,660	529,077
9.56%	175,257	175,257	175,257	175,257	175,257	210,744	246,231	281,719	317,206	352,693	388,180	423,667	459,155	494,642	530,129
9.57%	175,605	175,605	175,605	175,605	175,605	211,163	246,721	282,279	317,836	353,394	388,952	424,510	460,067	495,625	531,183
9.58%	175,954	175,954	175,954	175,954	175,954	211,582	247,211	282,839	318,467	354,096	389,724	425,353	460,981	496,609	532,238
9.59%	176,303	176,303	176,303	176,303	176,303	212,002	247,701	283,400	319,099	354,798	390,498	426,197	461,896	497,595	533,294
9.60%	176,653	176,653	176,653	176,653	176,653	212,423	248,192	283,962	319,732	355,502	391,272	427,042	462,811	498,581	534,351
9.61%	177,003	177,003	177,003	177,003	177,003	212,843	248,684	284,525	320,366	356,206	392,047	427,888	463,728	499,569	535,410
9.62%	177,353	177,353	177,353	177,353	177,353	213,265	249,176	285,088	321,000	356,911	392,823	428,735	464,646	500,558	536,470
9.63%	177,704	177,704	177,704	177,704	177,704	213,687	249,669	285,652	321,635	357,617	393,600	429,583	465,565	501,548	537,531
9.64%	178,055	178,055	178,055	178,055	178,055	214,109	250,163	286,216	322,270	358,324	394,378	430,432	466,485	502,539	538,593
9.65%	178,407	178,407	178,407	178,407	178,407	214,532	250,657	286,782	322,907	359,032	395,157	431,282	467,407	503,532	539,657
9.66%	178,759	178,759	178,759	178,759	178,759	214,955	251,151	287,348	323,544	359,740	395,936	432,133	468,329	504,525	540,721
9.67%	179,111	179,111	179,111	179,111	179,111	215,379	251,646	287,914	324,182	360,449	396,717	432,985	469,252	505,520	541,788
9.68%	179,464	179,464	179,464	179,464	179,464	215,803	252,142	288,481	324,820	361,159	397,499	433,838	470,177	506,516	542,855
9.69%	179,817	179,817	179,817	179,817	179,817	216,228	252,639	289,049	325,460	361,870	398,281	434,692	471,102	507,513	543,924
9.70%	180,171	180,171	180,171	180,171	180,171	216,653	253,136	289,618	326,100	362,582	399,064	435,547	472,029	508,511	544,993
9.71%	180,525	180,525	180,525	180,525	180,525	217,079	253,633	290,187	326,741	363,295	399,849	436,403	472,957	509,511	546,065
9.72%	180,880	180,880	180,880	180,880	180,880	217,509	254,131	290,757	327,383	364,008	400,634	437,260	473,886	510,511	547,137
9.73%	181,235	181,235	181,235	181,235	181,235	217,932	254,630	291,327	328,025	364,723	401,420	438,118	474,815	511,513	548,211
9.74%	181,590	181,590	181,590	181,590	181,590	218,356	255,129	291,899	328,668	365,436	402,207	438,977	475,747	512,516	549,286
9.75%	181,946	181,946	181,946	181,946	181,946	218,787	255,629	292,471	329,313	366,154	402,995	439,837	476,679	513,520	550,362
9.76%	182,302	182,302	182,302	182,302	182,302	219,216	256,130	293,043	329,957	366,871	403,784	440,698	477,612	514,526	551,439
9.77%	182,659	182,659	182,659	182,659	182,659	219,645	256,631	293,617	330,603	367,588	404,574	441,560	478,546	515,532	552,518
9.78%	183,016	183,016	183,016	183,016	183,016	220,074	257,132	294,191	331,249	368,307	405,365	442,424	479,482	516,540	553,598
9.79%	183,373	183,373	183,373	183,373	183,373	220,504	257,636	294,765	331,896	369,026	406,157	443,288	480,418	517,549	554,680

SCHEDULE 1

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)															
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)															
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
9.80%	183,731	183,731	183,731	183,731	183,731	220,934	259,137	295,341	332,544	369,747	406,950	444,153	481,356	518,559	555,762	
9.81%	184,090	184,090	184,090	184,090	184,090	221,365	259,568	295,771	332,974	370,177	407,380	444,583	481,786	518,989	556,192	
9.82%	184,448	184,448	184,448	184,448	184,448	221,797	259,999	296,202	333,405	370,608	407,811	445,014	482,217	519,420	556,624	
9.83%	184,807	184,807	184,807	184,807	184,807	222,229	259,650	297,071	334,492	371,913	408,334	446,755	484,176	521,597	559,018	
9.84%	185,167	185,167	185,167	185,167	185,167	222,661	260,155	297,649	335,143	372,636	410,130	447,624	485,118	522,612	560,106	
9.85%	185,527	185,527	185,527	185,527	185,527	223,094	260,661	298,227	335,794	373,361	410,928	448,495	486,061	523,628	561,195	
9.86%	185,888	185,888	185,888	185,888	185,888	223,527	261,167	298,807	336,447	374,086	411,726	449,366	487,006	524,646	562,285	
9.87%	186,249	186,249	186,249	186,249	186,249	223,961	261,674	299,387	337,100	374,813	412,526	450,239	487,951	525,664	563,377	
9.88%	186,610	186,610	186,610	186,610	186,610	224,396	262,182	299,968	337,754	375,540	413,326	451,112	488,898	526,684	564,470	
9.89%	186,972	186,972	186,972	186,972	186,972	224,831	262,690	300,550	338,409	376,268	414,127	451,987	489,846	527,705	565,564	
9.90%	187,334	187,334	187,334	187,334	187,334	225,267	263,199	301,132	339,064	376,997	414,930	452,862	490,795	528,727	566,660	
9.91%	187,697	187,697	187,697	187,697	187,697	225,703	263,709	301,715	339,727	377,727	415,733	453,739	491,745	529,751	567,757	
9.92%	188,060	188,060	188,060	188,060	188,060	226,139	264,219	302,298	340,378	378,457	416,537	454,617	492,696	530,776	568,855	
9.93%	188,423	188,423	188,423	188,423	188,423	226,576	264,729	302,883	341,036	379,189	417,342	455,495	493,648	531,802	569,955	
9.94%	188,787	188,787	188,787	188,787	188,787	227,014	265,241	303,468	341,695	379,921	418,148	456,375	494,602	532,829	571,056	
9.95%	189,151	189,151	189,151	189,151	189,151	227,452	265,753	304,053	342,354	380,655	418,955	457,256	495,557	533,857	572,158	
9.96%	189,516	189,516	189,516	189,516	189,516	227,891	266,265	304,640	343,014	381,389	419,763	458,138	496,512	534,887	573,261	
9.97%	189,882	189,882	189,882	189,882	189,882	228,330	266,779	305,227	343,675	382,124	420,572	459,021	497,469	535,918	574,366	
9.98%	190,247	190,247	190,247	190,247	190,247	228,770	267,292	305,815	344,337	382,860	421,382	459,905	498,427	536,950	575,473	
9.99%	190,613	190,613	190,613	190,613	190,613	229,210	267,807	306,403	345,000	383,597	422,193	460,790	499,387	537,983	576,580	
10.00%	190,980	190,980	190,980	190,980	190,980	229,651	268,322	306,993	345,664	384,334	423,005	461,676	500,347	539,018	577,689	
10.01%	191,347	191,347	191,347	191,347	191,347	230,092	268,837	307,583	346,328	385,073	423,818	462,563	501,309	540,054	578,799	
10.02%	191,714	191,714	191,714	191,714	191,714	230,534	269,354	308,173	347,022	385,813	424,632	463,452	502,271	541,091	579,911	
10.03%	192,082	192,082	192,082	192,082	192,082	230,976	269,871	308,765	347,699	386,553	425,447	464,341	503,235	542,129	581,024	
10.04%	192,451	192,451	192,451	192,451	192,451	231,419	270,388	309,357	348,326	387,294	426,263	465,232	504,200	543,169	582,138	
10.05%	192,820	192,820	192,820	192,820	192,820	231,863	270,906	309,950	348,993	388,036	427,080	466,123	505,167	544,210	583,253	
10.06%	193,189	193,189	193,189	193,189	193,189	232,307	271,425	310,543	349,661	388,779	427,898	467,016	506,134	545,252	584,370	
10.07%	193,558	193,558	193,558	193,558	193,558	232,751	271,944	311,137	350,330	389,523	428,716	467,909	507,102	546,295	585,488	
10.08%	193,929	193,929	193,929	193,929	193,929	233,197	272,464	311,732	351,000	390,268	429,536	468,804	508,072	547,340	586,608	
10.09%	194,299	194,299	194,299	194,299	194,299	233,642	272,985	312,328	351,671	391,014	430,357	469,700	509,043	548,386	587,729	
10.10%	194,670	194,670	194,670	194,670	194,670	234,088	273,506	312,925	352,343	391,761	431,179	470,597	510,015	549,433	588,851	
10.11%	195,042	195,042	195,042	195,042	195,042	234,535	274,028	313,522	353,015	392,508	432,002	471,495	510,988	550,482	589,975	
10.12%	195,414	195,414	195,414	195,414	195,414	234,982	274,551	314,120	353,688	393,257	432,826	472,394	511,963	551,531	591,100	
10.13%	195,786	195,786	195,786	195,786	195,786	235,430	275,074	314,718	354,362	394,006	433,650	473,294	512,938	552,582	592,227	
10.14%	196,159	196,159	196,159	196,159	196,159	235,878	275,597	315,317	355,037	394,757	434,496	474,196	513,915	553,635	593,354	
10.15%	196,532	196,532	196,532	196,532	196,532	236,327	276,122	315,915	355,713	395,508	435,303	475,098	514,893	554,688	594,483	
10.16%	196,906	196,906	196,906	196,906	196,906	236,777	276,647	316,518	356,389	396,260	436,131	476,002	515,872	555,743	595,614	
10.17%	197,280	197,280	197,280	197,280	197,280	237,227	277,173	317,120	357,066	397,013	436,980	476,906	516,853	556,799	596,746	
10.18%	197,655	197,655	197,655	197,655	197,655	237,677	277,700	317,722	357,744	397,767	437,789	477,812	517,834	557,857	597,879	
10.19%	198,030	198,030	198,030	198,030	198,030	238,128	278,227	318,325	358,423	398,522	438,620	478,719	518,817	558,915	598,914	

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
10.20%	198,405	198,405	198,405	198,405	198,405	238,560	275,754	318,929	359,103	399,278	439,452	479,626	519,801	559,975	600,150
10.21%	198,781	198,781	198,781	198,781	198,781	239,032	276,283	319,533	359,707	400,034	440,285	480,535	520,786	561,037	601,287
10.22%	199,158	199,158	199,158	199,158	199,158	239,485	276,781	320,032	360,206	400,592	441,119	481,446	521,772	562,099	602,426
10.23%	199,535	199,535	199,535	199,535	199,535	239,938	280,341	320,744	361,147	401,551	441,954	482,357	522,760	563,163	603,566
10.24%	199,912	199,912	199,912	199,912	199,912	240,392	280,871	321,351	361,749	402,310	442,790	483,269	523,749	564,228	604,708
10.25%	200,290	200,290	200,290	200,290	200,290	240,846	281,402	321,958	362,514	403,070	443,627	484,183	524,739	565,295	605,851
10.26%	200,668	200,668	200,668	200,668	200,668	241,301	281,934	322,566	363,199	403,832	444,464	485,097	525,730	566,363	606,995
10.27%	201,047	201,047	201,047	201,047	201,047	241,757	282,466	323,175	363,885	404,594	445,303	486,013	526,722	567,432	608,141
10.28%	201,426	201,426	201,426	201,426	201,426	242,213	282,999	323,785	364,571	405,357	446,143	486,930	527,716	568,502	609,288
10.29%	201,806	201,806	201,806	201,806	201,806	242,669	283,532	324,395	365,258	406,121	446,985	487,848	528,711	569,574	610,437
10.30%	202,186	202,186	202,186	202,186	202,186	243,126	284,066	325,006	365,947	406,887	447,827	488,767	529,707	570,647	611,587
10.31%	202,567	202,567	202,567	202,567	202,567	243,584	284,601	325,618	366,635	407,653	448,670	489,687	530,704	571,721	612,738
10.32%	202,948	202,948	202,948	202,948	202,948	244,042	285,137	326,231	367,325	408,420	449,514	490,608	531,702	572,797	613,891
10.33%	203,330	203,330	203,330	203,330	203,330	244,501	285,673	326,844	368,016	409,187	450,359	491,531	532,702	573,874	615,045
10.34%	203,712	203,712	203,712	203,712	203,712	244,961	286,210	327,458	368,707	409,956	451,205	492,454	533,703	574,952	616,201
10.35%	204,094	204,094	204,094	204,094	204,094	245,421	286,747	328,073	369,400	410,726	452,052	493,379	534,705	576,032	617,358
10.36%	204,477	204,477	204,477	204,477	204,477	245,881	287,285	328,689	370,093	411,497	452,901	494,305	535,709	577,113	618,516
10.37%	204,861	204,861	204,861	204,861	204,861	246,342	287,824	329,305	370,787	412,269	453,750	495,232	536,713	578,195	619,676
10.38%	205,245	205,245	205,245	205,245	205,245	246,800	288,363	329,923	371,482	413,041	454,601	496,160	537,719	579,278	620,838
10.39%	205,629	205,629	205,629	205,629	205,629	247,266	288,903	330,541	372,178	413,815	455,452	497,089	538,726	580,363	622,001
10.40%	206,014	206,014	206,014	206,014	206,014	247,729	289,444	331,159	372,874	414,589	456,304	498,019	539,735	581,450	623,165
10.41%	206,399	206,399	206,399	206,399	206,399	248,192	289,986	331,779	373,572	415,365	457,158	498,951	540,744	582,537	624,330
10.42%	206,785	206,785	206,785	206,785	206,785	248,656	290,528	332,399	374,270	416,141	458,013	499,884	541,755	583,626	625,497
10.43%	207,171	207,171	207,171	207,171	207,171	249,121	291,070	333,020	374,969	416,919	458,868	500,818	542,767	584,717	626,666
10.44%	207,558	207,558	207,558	207,558	207,558	249,586	291,614	333,642	375,669	417,697	459,725	501,753	543,780	585,808	627,836
10.45%	207,946	207,946	207,946	207,946	207,946	250,052	292,158	334,264	376,370	418,476	460,583	502,689	544,795	586,901	629,007
10.46%	208,333	208,333	208,333	208,333	208,333	250,518	292,703	334,887	377,072	419,257	461,441	503,628	545,811	587,986	630,180
10.47%	208,721	208,721	208,721	208,721	208,721	250,985	293,248	335,511	377,775	420,038	462,301	504,565	546,828	589,091	631,355
10.48%	209,110	209,110	209,110	209,110	209,110	251,452	293,794	336,136	378,478	420,820	463,162	505,504	547,846	590,188	632,530
10.49%	209,499	209,499	209,499	209,499	209,499	251,920	294,341	336,762	379,183	421,604	464,024	506,445	548,866	591,287	633,708
10.50%	209,889	209,889	209,889	209,889	209,889	252,389	294,889	337,388	379,888	422,388	464,887	507,387	549,887	592,387	634,886
10.51%	210,279	210,279	210,279	210,279	210,279	252,858	295,437	338,015	380,594	423,173	465,752	508,330	550,909	593,488	636,067
10.52%	210,670	210,670	210,670	210,670	210,670	253,328	295,986	338,643	381,301	423,959	466,617	509,275	551,933	594,590	637,248
10.53%	211,061	211,061	211,061	211,061	211,061	253,798	296,535	339,272	382,009	424,746	467,483	510,220	552,957	595,694	638,431
10.54%	211,453	211,453	211,453	211,453	211,453	254,269	297,085	339,902	382,718	425,534	468,351	511,167	553,983	596,800	639,616
10.55%	211,845	211,845	211,845	211,845	211,845	254,740	297,636	340,532	383,428	426,323	469,219	512,115	555,010	597,906	640,802
10.56%	212,237	212,237	212,237	212,237	212,237	255,213	298,188	341,163	384,138	427,113	470,089	513,064	556,039	599,014	641,989
10.57%	212,630	212,630	212,630	212,630	212,630	255,685	298,740	341,795	384,850	427,904	470,969	514,014	557,069	600,124	643,178
10.58%	213,024	213,024	213,024	213,024	213,024	256,158	299,293	342,427	385,562	428,696	471,831	514,965	558,100	601,234	644,369
10.59%	213,418	213,418	213,418	213,418	213,418	256,632	299,847	343,061	386,275	429,489	472,704	515,918	559,132	602,347	645,561

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)															
	Relevant Minimum Fee mentioned in Section 4(b)(ii)															
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
10.60%	213,813	213,813	213,813	213,813	213,813	257,107	300,401	343,695	386,989	430,283	475,578	516,872	560,166	603,460	646,754	
10.61%	214,208	214,208	214,208	214,208	214,208	257,582	300,956	344,300	387,704	431,078	474,453	517,827	561,201	604,575	647,949	
10.62%	214,603	214,603	214,603	214,603	214,603	258,067	301,512	344,966	388,420	431,874	475,329	518,783	562,237	605,692	649,146	
10.63%	214,999	214,999	214,999	214,999	214,999	258,534	302,068	345,603	388,973	432,671	476,206	519,740	563,275	606,809	650,344	
10.64%	215,396	215,396	215,396	215,396	215,396	259,010	302,625	346,240	389,528	433,469	477,084	520,699	564,314	607,928	651,543	
10.65%	215,793	215,793	215,793	215,793	215,793	259,488	303,183	346,878	390,573	434,268	477,964	521,659	565,354	609,049	652,744	
10.66%	216,190	216,190	216,190	216,190	216,190	259,966	303,742	347,517	391,293	435,068	478,844	522,620	566,395	610,171	653,947	
10.67%	216,588	216,588	216,588	216,588	216,588	260,444	304,301	348,157	392,013	435,869	479,726	523,582	567,438	611,294	655,151	
10.68%	216,987	216,987	216,987	216,987	216,987	260,924	304,861	348,798	392,734	436,671	480,608	524,545	568,482	612,419	656,356	
10.69%	217,386	217,386	217,386	217,386	217,386	261,404	305,421	349,439	393,457	437,474	481,492	525,510	569,528	613,545	657,563	
10.70%	217,785	217,785	217,785	217,785	217,785	261,884	305,983	350,081	394,180	438,278	482,377	526,476	570,574	614,673	658,772	
10.71%	218,185	218,185	218,185	218,185	218,185	262,365	306,545	350,724	394,904	439,080	483,263	527,443	571,622	615,802	659,982	
10.72%	218,586	218,586	218,586	218,586	218,586	262,847	307,107	351,368	395,629	439,890	484,150	528,411	572,672	616,932	661,193	
10.73%	218,987	218,987	218,987	218,987	218,987	263,329	307,671	352,013	396,355	440,697	485,038	529,380	573,722	618,064	662,406	
10.74%	219,388	219,388	219,388	219,388	219,388	263,812	308,235	352,658	397,081	441,505	485,928	530,351	574,774	619,198	663,621	
10.75%	219,791	219,791	219,791	219,791	219,791	264,295	308,800	353,304	397,809	442,314	486,818	531,323	575,828	620,332	664,837	
10.76%	220,193	220,193	220,193	220,193	220,193	264,779	309,365	353,952	398,538	443,124	487,710	532,296	576,882	621,468	666,055	
10.77%	220,596	220,596	220,596	220,596	220,596	265,264	309,932	354,599	399,267	443,935	488,603	533,270	577,938	622,606	667,274	
10.78%	221,000	221,000	221,000	221,000	221,000	265,749	310,499	355,248	399,998	444,747	489,497	534,246	578,996	623,745	668,495	
10.79%	221,404	221,404	221,404	221,404	221,404	266,235	311,066	355,898	400,729	445,560	490,392	535,223	580,054	624,886	669,717	
10.80%	221,808	221,808	221,808	221,808	221,808	266,722	311,635	356,548	401,461	446,375	491,288	536,201	581,114	626,027	670,941	
10.81%	222,213	222,213	222,213	222,213	222,213	267,209	312,204	357,199	402,194	447,190	492,185	537,180	582,176	627,171	672,166	
10.82%	222,619	222,619	222,619	222,619	222,619	267,696	312,774	357,851	402,929	448,006	493,083	538,161	583,238	628,316	673,393	
10.83%	223,025	223,025	223,025	223,025	223,025	268,185	313,344	358,504	403,664	448,823	493,983	539,143	584,302	629,462	674,621	
10.84%	223,432	223,432	223,432	223,432	223,432	268,674	313,916	359,158	404,400	449,644	494,884	540,126	585,368	630,610	675,851	
10.85%	223,839	223,839	223,839	223,839	223,839	269,163	314,488	359,812	405,137	450,461	495,785	541,110	586,434	631,759	677,083	
10.86%	224,247	224,247	224,247	224,247	224,247	269,654	315,061	360,468	405,875	451,281	496,688	542,095	587,502	632,909	678,316	
10.87%	224,655	224,655	224,655	224,655	224,655	270,144	315,634	361,124	406,613	452,103	497,593	543,082	588,572	634,061	679,551	
10.88%	225,064	225,064	225,064	225,064	225,064	270,636	316,208	361,781	407,353	452,925	498,498	544,070	589,643	635,215	680,787	
10.89%	225,473	225,473	225,473	225,473	225,473	271,128	316,783	362,439	408,094	453,749	499,404	545,059	590,715	636,370	682,025	
10.90%	225,883	225,883	225,883	225,883	225,883	271,621	317,359	363,097	408,835	454,574	500,312	546,050	591,788	637,526	683,265	
10.91%	226,293	226,293	226,293	226,293	226,293	272,114	317,935	363,757	409,578	455,399	501,221	547,042	592,863	638,684	684,506	
10.92%	226,704	226,704	226,704	226,704	226,704	272,608	318,513	364,417	410,321	456,226	502,130	548,035	593,939	639,844	685,748	
10.93%	227,115	227,115	227,115	227,115	227,115	273,103	319,090	365,078	411,066	457,054	503,041	549,029	595,017	641,005	686,992	
10.94%	227,527	227,527	227,527	227,527	227,527	273,598	319,669	365,740	411,811	457,883	503,954	550,025	596,167	642,167	688,238	
10.95%	227,939	227,939	227,939	227,939	227,939	274,094	320,248	366,403	412,558	458,712	504,867	551,022	597,176	643,331	689,486	
10.96%	228,352	228,352	228,352	228,352	228,352	274,590	320,829	367,067	413,305	459,543	505,782	552,020	598,258	644,496	690,735	
10.97%	228,766	228,766	228,766	228,766	228,766	275,087	321,409	367,731	414,053	460,375	506,697	553,019	599,341	645,663	691,985	
10.98%	229,179	229,179	229,179	229,179	229,179	275,585	321,991	368,397	414,803	461,208	507,614	554,020	600,426	646,831	693,237	
10.99%	229,594	229,594	229,594	229,594	229,594	276,084	322,573	369,063	415,553	462,042	508,532	555,022	601,512	648,001	694,491	

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
11.00%	230,009	230,009	230,009	230,009	230,009	276,583	323,156	369,730	416,304	462,878	509,451	556,025	602,599	649,173	695,746
11.01%	230,425	230,425	230,425	230,425	230,425	277,062	323,740	370,398	417,056	463,714	510,372	557,030	603,688	650,345	697,003
11.02%	230,841	230,841	230,841	230,841	230,841	277,583	324,325	371,067	417,709	464,351	511,033	557,716	604,400	651,084	697,767
11.03%	231,257	231,257	231,257	231,257	231,257	278,084	324,910	371,737	418,381	465,023	511,706	558,389	605,073	651,757	698,440
11.04%	231,674	231,674	231,674	231,674	231,674	278,585	325,496	372,407	418,922	465,564	512,246	558,930	605,614	652,298	698,977
11.05%	232,092	232,092	232,092	232,092	232,092	279,088	326,083	372,979	420,074	466,101	512,819	559,443	606,128	652,812	699,505
11.06%	232,510	232,510	232,510	232,510	232,510	279,590	326,671	373,551	420,631	466,619	513,411	559,965	606,680	653,364	700,047
11.07%	232,929	232,929	232,929	232,929	232,929	280,094	327,259	374,124	421,186	467,124	513,952	560,484	607,158	654,042	700,526
11.08%	233,348	233,348	233,348	233,348	233,348	280,598	327,848	374,708	421,739	467,619	514,483	560,998	607,682	654,566	701,005
11.09%	233,768	233,768	233,768	233,768	233,768	281,103	328,438	375,293	422,294	468,103	515,033	561,512	608,166	655,090	701,484
11.10%	234,189	234,189	234,189	234,189	234,189	281,609	329,029	375,849	422,849	468,613	515,583	562,032	608,710	655,614	701,963
11.11%	234,609	234,609	234,609	234,609	234,609	282,115	329,620	376,400	423,400	469,117	516,137	562,583	609,261	656,138	702,442
11.12%	235,031	235,031	235,031	235,031	235,031	282,622	330,212	377,003	423,954	469,626	516,691	563,136	609,812	656,662	702,921
11.13%	235,453	235,453	235,453	235,453	235,453	283,129	330,805	377,581	424,508	470,139	517,243	563,689	610,364	657,186	703,400
11.14%	235,876	235,876	235,876	235,876	235,876	283,637	331,399	378,160	425,062	470,647	517,797	564,230	610,915	657,710	703,879
11.15%	236,299	236,299	236,299	236,299	236,299	284,146	331,993	378,741	425,616	471,156	518,351	564,781	611,466	658,234	704,358
11.16%	236,722	236,722	236,722	236,722	236,722	284,655	332,588	379,322	426,170	471,665	518,905	565,331	612,017	658,758	704,837
11.17%	237,146	237,146	237,146	237,146	237,146	285,165	333,184	380,003	426,724	472,174	519,459	565,882	612,568	659,282	705,316
11.18%	237,571	237,571	237,571	237,571	237,571	285,676	333,781	380,586	427,278	472,683	519,991	566,433	613,119	659,806	705,795
11.19%	237,996	237,996	237,996	237,996	237,996	286,188	334,379	381,169	427,832	473,192	520,523	566,984	613,670	660,330	706,274
11.20%	238,422	238,422	238,422	238,422	238,422	286,700	334,977	381,752	428,386	473,701	521,065	567,535	614,221	660,854	706,753
11.21%	238,849	238,849	238,849	238,849	238,849	287,212	335,576	382,336	428,939	474,210	521,607	568,086	614,772	661,378	707,232
11.22%	239,276	239,276	239,276	239,276	239,276	287,726	336,176	382,901	429,493	474,719	522,150	568,637	615,323	661,902	707,711
11.23%	239,703	239,703	239,703	239,703	239,703	288,240	336,777	383,466	430,046	475,228	522,692	569,188	615,874	662,426	708,190
11.24%	240,131	240,131	240,131	240,131	240,131	288,755	337,378	384,031	430,600	475,737	523,234	569,739	616,425	662,950	708,669
11.25%	240,560	240,560	240,560	240,560	240,560	289,270	337,980	384,596	431,154	476,246	523,776	570,290	616,976	663,474	709,148
11.26%	240,989	240,989	240,989	240,989	240,989	289,786	338,583	385,161	431,708	476,755	524,318	570,841	617,527	664,000	709,627
11.27%	241,419	241,419	241,419	241,419	241,419	290,303	339,187	385,726	432,262	477,264	524,860	571,392	618,078	664,524	710,106
11.28%	241,849	241,849	241,849	241,849	241,849	290,820	339,792	386,291	432,816	477,773	525,399	571,943	618,629	665,048	710,585
11.29%	242,280	242,280	242,280	242,280	242,280	291,338	340,397	386,856	433,370	478,282	525,937	572,494	619,180	665,572	711,064
11.30%	242,711	242,711	242,711	242,711	242,711	291,857	341,003	387,421	433,924	478,791	526,476	573,045	619,727	666,096	711,543
11.31%	243,143	243,143	243,143	243,143	243,143	292,377	341,610	387,976	434,478	479,300	527,015	573,596	620,276	666,620	712,022
11.32%	243,576	243,576	243,576	243,576	243,576	292,897	342,218	388,531	435,032	479,809	527,554	574,147	620,821	667,144	712,501
11.33%	244,009	244,009	244,009	244,009	244,009	293,418	342,826	389,086	435,586	480,318	528,093	574,698	621,366	667,668	712,980
11.34%	244,443	244,443	244,443	244,443	244,443	293,939	343,436	389,641	436,140	480,827	528,632	575,249	621,910	668,192	713,459
11.35%	244,877	244,877	244,877	244,877	244,877	294,461	344,046	390,196	436,694	481,336	529,171	575,800	622,455	668,716	713,938
11.36%	245,312	245,312	245,312	245,312	245,312	294,984	344,657	390,751	437,248	481,845	529,700	576,351	622,999	669,240	714,417
11.37%	245,747	245,747	245,747	245,747	245,747	295,508	345,268	391,306	437,802	482,354	530,231	576,902	623,543	669,764	714,896
11.38%	246,183	246,183	246,183	246,183	246,183	296,032	345,881	391,861	438,356	482,863	530,760	577,453	624,088	670,288	715,375
11.39%	246,620	246,620	246,620	246,620	246,620	296,557	346,494	392,416	438,910	483,372	531,291	578,004	624,632	670,812	715,854

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)														
11.40%	247,057	247,057	247,057	247,057	247,057	297,083	347,108	397,134	447,160	497,185	547,211	597,237	647,263	697,288	747,314
11.41%	247,495	247,495	247,495	247,495	247,495	297,609	347,634	397,659	447,684	497,709	547,734	597,759	647,784	697,809	747,834
11.42%	247,933	247,933	247,933	247,933	247,933	298,047	348,072	398,097	448,122	498,147	548,172	598,197	648,222	698,247	748,272
11.43%	248,372	248,372	248,372	248,372	248,372	298,481	348,506	398,531	448,556	498,581	548,606	598,631	648,656	698,681	748,706
11.44%	248,811	248,811	248,811	248,811	248,811	299,192	349,217	399,242	449,267	499,292	549,317	599,342	649,367	699,392	749,417
11.45%	249,251	249,251	249,251	249,251	249,251	299,721	349,746	399,771	449,796	499,821	549,846	599,871	649,896	699,921	749,946
11.46%	249,692	249,692	249,692	249,692	249,692	300,251	350,276	400,301	450,326	500,351	550,376	600,401	650,426	700,451	750,476
11.47%	250,133	250,133	250,133	250,133	250,133	300,781	350,806	400,831	450,856	500,881	550,906	600,931	650,956	700,981	751,006
11.48%	250,575	250,575	250,575	250,575	250,575	301,313	351,338	401,363	451,388	501,413	551,438	601,463	651,488	701,513	751,538
11.49%	251,017	251,017	251,017	251,017	251,017	301,844	351,869	401,894	451,919	501,944	551,969	601,994	652,019	702,044	752,069
11.50%	251,460	251,460	251,460	251,460	251,460	302,377	352,402	402,427	452,452	502,477	552,502	602,527	652,552	702,577	752,602
11.51%	251,903	251,903	251,903	251,903	251,903	302,910	352,935	402,960	452,985	503,010	553,035	603,060	653,085	703,110	753,135
11.52%	252,347	252,347	252,347	252,347	252,347	303,444	353,469	403,494	453,519	503,544	553,569	603,594	653,619	703,644	753,669
11.53%	252,792	252,792	252,792	252,792	252,792	303,979	354,004	404,029	454,054	504,079	554,104	604,129	654,154	704,179	754,204
11.54%	253,237	253,237	253,237	253,237	253,237	304,515	354,540	404,565	454,590	504,615	554,640	604,665	654,690	704,715	754,740
11.55%	253,683	253,683	253,683	253,683	253,683	305,051	355,076	405,101	455,126	505,151	555,176	605,201	655,226	705,251	755,276
11.56%	254,130	254,130	254,130	254,130	254,130	305,588	355,613	405,638	455,663	505,688	555,713	605,738	655,763	705,788	755,813
11.57%	254,577	254,577	254,577	254,577	254,577	306,125	356,150	406,175	456,200	506,225	556,250	606,275	656,300	706,325	756,350
11.58%	255,024	255,024	255,024	255,024	255,024	306,663	356,688	406,713	456,738	506,763	556,788	606,813	656,838	706,863	756,888
11.59%	255,473	255,473	255,473	255,473	255,473	307,202	357,227	407,252	457,277	507,302	557,327	607,352	657,377	707,402	757,427
11.60%	255,921	255,921	255,921	255,921	255,921	307,742	357,767	407,792	457,817	507,842	557,867	607,892	657,917	707,942	757,967
11.61%	256,371	256,371	256,371	256,371	256,371	308,283	358,308	408,333	458,358	508,383	558,408	608,433	658,458	708,483	758,508
11.62%	256,821	256,821	256,821	256,821	256,821	308,824	358,849	408,874	458,899	508,924	558,949	608,974	658,999	709,024	759,049
11.63%	257,272	257,272	257,272	257,272	257,272	309,366	359,391	409,426	459,451	509,476	559,501	609,526	659,551	709,576	759,601
11.64%	257,723	257,723	257,723	257,723	257,723	309,908	359,933	409,968	459,993	509,103	559,128	609,153	659,178	709,203	759,228
11.65%	258,175	258,175	258,175	258,175	258,175	310,451	360,476	410,501	460,526	510,551	560,576	610,601	660,626	710,651	760,676
11.66%	258,627	258,627	258,627	258,627	258,627	310,996	361,021	411,046	461,071	511,096	561,121	611,146	661,171	711,196	761,221
11.67%	259,080	259,080	259,080	259,080	259,080	311,540	361,565	411,590	461,615	511,640	561,665	611,690	661,715	711,740	761,765
11.68%	259,534	259,534	259,534	259,534	259,534	312,086	362,111	412,141	462,166	512,191	562,216	612,241	662,266	712,291	762,316
11.69%	259,988	259,988	259,988	259,988	259,988	312,632	362,657	412,682	462,707	512,732	562,757	612,782	662,807	712,832	762,857
11.70%	260,443	260,443	260,443	260,443	260,443	313,179	363,204	413,234	463,259	513,284	563,309	613,334	663,359	713,384	763,409
11.71%	260,898	260,898	260,898	260,898	260,898	313,727	363,752	413,782	463,807	513,832	563,857	613,882	663,907	713,932	763,957
11.72%	261,354	261,354	261,354	261,354	261,354	314,275	364,300	414,330	464,355	514,380	564,405	614,430	664,455	714,480	764,505
11.73%	261,811	261,811	261,811	261,811	261,811	314,824	364,849	414,874	464,899	514,924	564,949	614,974	664,999	715,024	765,049
11.74%	262,268	262,268	262,268	262,268	262,268	315,374	364,899	414,924	464,949	514,974	564,999	615,024	665,049	715,074	765,099
11.75%	262,726	262,726	262,726	262,726	262,726	315,925	365,450	415,475	465,499	515,524	565,549	615,574	665,599	715,624	765,649
11.76%	263,185	263,185	263,185	263,185	263,185	316,476	366,001	416,026	466,050	516,075	566,100	616,125	666,150	716,175	766,200
11.77%	263,644	263,644	263,644	263,644	263,644	317,028	366,552	416,577	466,601	516,626	566,651	616,676	666,701	716,726	766,751
11.78%	264,104	264,104	264,104	264,104	264,104	317,581	367,105	417,130	467,154	517,179	567,204	617,229	667,254	717,279	767,304
11.79%	264,564	264,564	264,564	264,564	264,564	318,135	367,659	417,684	467,708	517,733	567,758	617,783	667,808	717,833	767,858

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
11.80%	265,025	265,025	265,025	265,025	265,025	318,689	372,353	426,018	479,682	533,346	587,010	640,674	694,338	748,002	801,666
11.81%	265,487	265,487	265,487	265,487	265,487	319,244	373,002	426,760	480,518	534,275	588,032	641,790	695,547	749,305	803,062
11.82%	265,949	265,949	265,949	265,949	265,949	319,800	373,652	427,503	481,354	535,205	589,056	642,907	696,757	750,610	804,461
11.83%	266,412	266,412	266,412	266,412	266,412	320,357	374,302	428,247	482,192	536,137	590,081	644,026	697,971	751,916	805,861
11.84%	266,876	266,876	266,876	266,876	266,876	320,914	374,953	428,992	483,031	537,069	591,108	645,147	699,186	753,224	807,263
11.85%	267,340	267,340	267,340	267,340	267,340	321,473	375,605	429,738	483,871	538,003	592,136	646,269	700,402	754,534	808,667
11.86%	267,805	267,805	267,805	267,805	267,805	322,031	376,258	430,485	484,712	538,939	593,166	647,392	701,619	755,846	810,073
11.87%	268,270	268,270	268,270	268,270	268,270	322,591	376,912	431,233	485,554	539,875	594,196	648,518	702,839	757,160	811,481
11.88%	268,736	268,736	268,736	268,736	268,736	323,151	377,567	431,982	486,398	540,813	595,229	649,644	704,060	758,475	812,891
11.89%	269,203	269,203	269,203	269,203	269,203	323,713	378,223	432,733	487,242	541,752	596,262	650,772	705,282	759,792	814,302
11.90%	269,670	269,670	269,670	269,670	269,670	324,275	378,879	433,484	488,088	542,693	597,297	651,902	706,507	761,111	815,716
11.91%	270,138	270,138	270,138	270,138	270,138	324,837	379,537	434,236	488,935	543,635	598,334	652,633	707,733	762,432	817,131
11.92%	270,607	270,607	270,607	270,607	270,607	325,401	380,195	434,989	489,783	544,578	599,372	653,466	708,960	763,754	818,549
11.93%	271,076	271,076	271,076	271,076	271,076	325,965	380,854	435,743	490,633	545,522	600,411	655,300	710,189	765,079	819,968
11.94%	271,546	271,546	271,546	271,546	271,546	326,530	381,514	436,499	491,483	546,467	601,452	656,436	711,420	766,405	821,389
11.95%	272,016	272,016	272,016	272,016	272,016	327,096	382,175	437,255	492,335	547,414	602,494	657,573	712,653	767,733	822,812
11.96%	272,487	272,487	272,487	272,487	272,487	327,662	382,837	438,012	493,187	548,362	603,537	658,712	713,887	768,962	824,238
11.97%	272,959	272,959	272,959	272,959	272,959	328,230	383,500	438,771	494,041	549,312	604,582	659,853	715,123	770,394	825,665
11.98%	273,431	273,431	273,431	273,431	273,431	328,798	384,164	439,530	494,896	550,263	605,629	660,995	716,361	771,727	827,094
11.99%	273,905	273,905	273,905	273,905	273,905	329,367	384,829	440,291	495,753	551,215	606,677	662,139	717,601	773,063	828,525
12.00%	274,378	274,378	274,378	274,378	274,378	329,936	385,494	441,052	496,610	552,168	607,726	663,284	718,842	774,400	829,958
12.01%	274,853	274,853	274,853	274,853	274,853	330,507	386,161	441,815	497,469	553,123	608,777	664,431	720,085	775,739	831,393
12.02%	275,328	275,328	275,328	275,328	275,328	331,078	386,828	442,578	498,328	554,079	609,829	665,579	721,329	777,079	832,829
12.03%	275,803	275,803	275,803	275,803	275,803	331,650	387,496	443,343	499,189	555,036	610,882	667,229	722,575	778,422	834,268
12.04%	276,280	276,280	276,280	276,280	276,280	332,223	388,166	444,108	500,051	555,994	611,937	668,880	723,823	779,766	835,709
12.05%	276,757	276,757	276,757	276,757	276,757	332,796	388,836	444,875	500,915	556,954	612,994	669,933	725,073	781,112	837,152
12.06%	277,234	277,234	277,234	277,234	277,234	333,371	389,507	445,643	501,779	557,915	614,052	670,188	726,324	782,460	838,597
12.07%	277,713	277,713	277,713	277,713	277,713	333,946	390,179	446,412	502,645	558,878	615,111	671,344	727,577	783,810	840,043
12.08%	278,192	278,192	278,192	278,192	278,192	334,522	390,852	447,182	503,512	559,842	616,172	672,502	728,832	785,162	841,482
12.09%	278,671	278,671	278,671	278,671	278,671	335,098	391,525	447,953	504,380	560,807	617,234	673,661	730,089	786,516	842,943
12.10%	279,151	279,151	279,151	279,151	279,151	335,676	392,200	448,725	505,249	561,774	618,298	674,822	731,347	787,871	844,396
12.11%	279,632	279,632	279,632	279,632	279,632	336,254	392,876	449,498	506,120	562,741	619,363	675,985	732,607	789,229	845,850
12.12%	280,114	280,114	280,114	280,114	280,114	336,833	393,553	450,272	506,991	563,711	620,430	677,149	733,869	790,588	847,307
12.13%	280,596	280,596	280,596	280,596	280,596	337,413	394,230	451,047	507,864	564,681	621,498	678,315	735,132	791,949	848,766
12.14%	281,079	281,079	281,079	281,079	281,079	337,994	394,909	451,823	508,738	565,653	622,568	679,482	736,917	793,312	850,227
12.15%	281,563	281,563	281,563	281,563	281,563	338,575	395,588	452,601	509,613	566,626	623,639	680,652	737,964	794,677	851,690
12.16%	282,047	282,047	282,047	282,047	282,047	339,158	396,268	453,379	510,490	567,601	624,711	681,822	738,933	796,044	853,154
12.17%	282,532	282,532	282,532	282,532	282,532	339,741	396,950	454,159	511,368	568,577	625,786	682,994	740,203	797,412	854,621
12.18%	283,018	283,018	283,018	283,018	283,018	340,325	397,632	454,939	512,247	569,554	626,861	684,168	741,476	798,783	856,090
12.19%	283,504	283,504	283,504	283,504	283,504	340,910	398,315	455,721	513,127	570,532	627,938	685,344	742,750	800,155	857,561

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
12.20%	283,991	283,991	283,991	283,991	283,991	341,495	398,999	456,504	514,008	571,512	629,017	686,521	744,025	801,530	859,034
12.21%	284,478	284,478	284,478	284,478	284,478	342,992	399,996	457,501	515,005	572,509	630,013	687,517	745,021	802,525	860,509
12.22%	284,967	284,967	284,967	284,967	284,967	343,478	400,999	458,003	516,507	574,011	631,515	689,019	746,523	804,027	861,986
12.23%	285,456	285,456	285,456	285,456	285,456	343,965	401,999	458,508	517,012	574,516	632,020	690,024	747,528	805,032	863,465
12.24%	285,945	285,945	285,945	285,945	285,945	344,452	402,999	459,006	517,516	575,020	633,024	691,028	748,532	806,036	864,946
12.25%	286,436	286,436	286,436	286,436	286,436	344,939	403,999	459,519	518,023	576,027	634,028	692,032	750,036	807,040	866,430
12.26%	286,927	286,927	286,927	286,927	286,927	345,426	404,999	460,023	518,527	576,531	635,032	693,036	751,040	808,044	867,915
12.27%	287,418	287,418	287,418	287,418	287,418	345,913	405,999	460,532	519,030	577,034	636,036	694,040	752,044	809,048	869,402
12.28%	287,911	287,911	287,911	287,911	287,911	346,400	406,999	461,041	519,534	577,538	637,040	695,044	752,548	810,052	870,892
12.29%	288,404	288,404	288,404	288,404	288,404	346,887	407,999	461,550	520,037	578,041	638,044	696,048	753,052	811,056	871,383
12.30%	288,898	288,898	288,898	288,898	288,898	347,374	408,999	462,060	520,541	578,545	639,048	697,052	753,556	811,560	871,877
12.31%	289,392	289,392	289,392	289,392	289,392	347,861	409,999	462,570	521,045	579,049	640,052	698,056	754,060	812,064	872,371
12.32%	289,887	289,887	289,887	289,887	289,887	348,348	410,999	463,080	521,549	579,553	641,056	699,060	754,564	812,568	872,865
12.33%	290,383	290,383	290,383	290,383	290,383	348,835	411,999	463,590	522,053	580,057	642,060	700,064	755,068	813,072	873,359
12.34%	290,880	290,880	290,880	290,880	290,880	349,322	412,999	464,100	522,557	580,561	643,064	701,068	755,572	813,576	873,853
12.35%	291,377	291,377	291,377	291,377	291,377	349,809	413,999	464,610	523,061	581,065	644,068	702,072	756,076	814,080	874,347
12.36%	291,875	291,875	291,875	291,875	291,875	350,292	414,999	465,120	523,565	581,569	645,072	702,576	756,580	814,584	874,841
12.37%	292,374	292,374	292,374	292,374	292,374	350,779	415,999	465,630	524,069	582,073	646,076	703,080	757,084	815,088	875,335
12.38%	292,873	292,873	292,873	292,873	292,873	351,266	416,999	466,140	524,573	582,577	647,080	703,584	757,588	815,592	875,829
12.39%	293,373	293,373	293,373	293,373	293,373	351,753	417,999	466,650	525,077	583,081	648,084	704,088	758,092	816,096	876,323
12.40%	293,874	293,874	293,874	293,874	293,874	352,240	418,999	467,160	525,581	583,585	649,088	704,592	758,596	816,600	876,817
12.41%	294,375	294,375	294,375	294,375	294,375	352,727	419,999	467,670	526,085	584,089	650,092	705,096	759,100	817,104	877,311
12.42%	294,877	294,877	294,877	294,877	294,877	353,214	420,999	468,180	526,589	584,593	651,096	705,600	759,604	817,608	877,805
12.43%	295,380	295,380	295,380	295,380	295,380	353,701	421,999	468,690	527,093	585,097	652,100	706,104	760,108	818,112	878,299
12.44%	295,884	295,884	295,884	295,884	295,884	354,188	422,999	469,200	527,597	585,601	653,104	706,608	760,612	818,616	878,793
12.45%	296,388	296,388	296,388	296,388	296,388	354,675	423,999	469,710	528,101	586,105	654,108	707,112	761,116	819,120	879,287
12.46%	296,893	296,893	296,893	296,893	296,893	355,162	424,999	470,220	528,605	586,609	655,112	707,616	761,620	819,624	879,781
12.47%	297,399	297,399	297,399	297,399	297,399	355,649	425,999	470,730	529,109	587,113	656,116	708,120	762,124	820,128	880,275
12.48%	297,905	297,905	297,905	297,905	297,905	356,136	426,999	471,240	529,613	587,617	657,120	708,624	762,628	820,632	880,769
12.49%	298,412	298,412	298,412	298,412	298,412	356,623	427,999	471,750	530,117	588,121	658,124	709,128	763,132	821,136	881,263
12.50%	298,920	298,920	298,920	298,920	298,920	357,110	428,999	472,260	530,621	588,625	659,128	709,632	763,636	821,640	881,757
12.51%	299,429	299,429	299,429	299,429	299,429	357,603	429,999	472,770	531,125	589,129	660,132	710,136	764,140	822,144	882,251
12.52%	299,938	299,938	299,938	299,938	299,938	358,096	430,999	473,280	531,629	589,633	661,136	710,640	764,644	822,648	882,745
12.53%	300,448	300,448	300,448	300,448	300,448	358,589	431,999	473,790	532,133	590,137	662,140	711,144	765,148	823,152	883,239
12.54%	300,959	300,959	300,959	300,959	300,959	359,082	432,999	474,300	532,637	590,641	663,144	711,648	765,652	823,656	883,733
12.55%	301,470	301,470	301,470	301,470	301,470	359,575	433,999	474,810	533,141	591,145	664,148	712,152	766,156	824,160	884,227
12.56%	301,983	301,983	301,983	301,983	301,983	360,068	434,999	475,320	533,645	591,649	665,152	712,656	766,660	824,664	884,721
12.57%	302,495	302,495	302,495	302,495	302,495	360,561	435,999	475,830	534,149	592,153	666,156	713,160	767,164	825,168	885,215
12.58%	303,009	303,009	303,009	303,009	303,009	361,054	436,999	476,340	534,653	592,657	667,160	713,664	767,668	825,672	885,709
12.59%	303,524	303,524	303,524	303,524	303,524	361,547	437,999	476,850	535,157	593,161	668,164	714,168	768,172	826,176	886,203

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)															
	Relevant Minimum Fee mentioned in Section 4(b)(ii)															
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
13.00%	325,264	325,264	325,264	325,264	325,264	391,126	456,988	522,850	588,711	654,573	720,435	786,296	852,158	918,020	983,881	
13.01%	325,811	325,811	325,811	325,811	325,811	391,783	457,756	523,728	589,701	655,673	721,645	787,618	853,590	919,563	985,535	
13.02%	326,359	326,359	326,359	326,359	326,359	392,442	458,525	524,608	590,691	656,675	722,658	788,641	854,624	920,607	986,590	
13.03%	326,907	326,907	326,907	326,907	326,907	393,101	459,295	525,489	591,684	657,678	723,672	790,286	856,461	922,655	988,649	
13.04%	327,456	327,456	327,456	327,456	327,456	393,761	460,067	526,372	592,677	660,683	726,728	793,923	859,910	926,510	993,510	
13.05%	328,006	328,006	328,006	328,006	328,006	394,422	460,839	527,256	593,673	660,089	726,506	792,923	859,340	925,757	992,773	
13.06%	328,556	328,556	328,556	328,556	328,556	395,085	461,613	528,141	594,669	661,198	727,726	794,254	860,782	927,311	993,839	
13.07%	329,108	329,108	329,108	329,108	329,108	395,748	462,388	529,028	595,668	662,307	728,947	795,567	862,227	928,867	995,507	
13.08%	329,660	329,660	329,660	329,660	329,660	396,412	463,164	529,915	596,667	663,419	730,171	796,922	863,674	930,426	997,178	
13.09%	330,213	330,213	330,213	330,213	330,213	397,077	463,941	530,805	597,668	664,532	731,396	798,260	865,123	931,987	998,851	
13.10%	330,767	330,767	330,767	330,767	330,767	397,743	464,719	531,695	598,571	665,447	732,323	799,199	866,075	933,551	1,000,526	
13.11%	331,322	331,322	331,322	331,322	331,322	398,410	465,498	532,587	599,475	666,363	733,251	800,940	868,028	935,116	1,002,205	
13.12%	331,877	331,877	331,877	331,877	331,877	399,078	466,279	533,480	600,381	667,281	734,082	801,684	869,484	936,684	1,003,885	
13.13%	332,434	332,434	332,434	332,434	332,434	399,747	467,061	534,374	601,288	668,101	734,914	802,628	870,941	938,255	1,005,568	
13.14%	332,991	332,991	332,991	332,991	332,991	400,417	467,844	535,270	602,196	670,122	735,949	803,675	872,401	939,827	1,007,254	
13.15%	333,549	333,549	333,549	333,549	333,549	401,088	468,628	536,167	603,106	671,245	736,985	804,524	873,863	941,402	1,008,942	
13.16%	334,108	334,108	334,108	334,108	334,108	401,760	469,413	537,065	604,118	672,370	740,023	805,427	875,327	942,980	1,010,632	
13.17%	334,668	334,668	334,668	334,668	334,668	402,434	470,199	537,965	605,131	673,497	741,262	806,328	876,294	944,560	1,012,325	
13.18%	335,228	335,228	335,228	335,228	335,228	403,108	470,987	538,866	606,145	674,625	742,504	810,383	877,262	946,142	1,014,021	
13.19%	335,790	335,790	335,790	335,790	335,790	403,783	471,776	539,768	607,161	675,754	743,747	811,740	878,733	947,726	1,015,719	
13.20%	336,352	336,352	336,352	336,352	336,352	404,459	472,565	540,672	608,779	676,886	744,993	813,099	881,206	949,313	1,017,420	
13.21%	336,915	336,915	336,915	336,915	336,915	405,136	473,357	541,577	609,798	677,819	746,240	814,460	882,681	950,902	1,019,123	
13.22%	337,479	337,479	337,479	337,479	337,479	405,814	474,149	542,484	610,819	678,754	747,489	815,824	884,159	952,494	1,020,829	
13.23%	338,044	338,044	338,044	338,044	338,044	406,493	474,942	543,392	611,841	680,290	748,740	817,189	885,638	954,087	1,022,537	
13.24%	338,609	338,609	338,609	338,609	338,609	407,173	475,737	544,301	612,865	681,428	749,992	818,566	887,120	955,684	1,024,248	
13.25%	339,176	339,176	339,176	339,176	339,176	407,854	476,533	545,211	613,890	682,568	751,247	819,925	888,604	957,282	1,025,961	
13.26%	339,743	339,743	339,743	339,743	339,743	408,536	477,330	546,123	614,917	683,710	752,503	821,287	890,090	958,884	1,027,677	
13.27%	340,311	340,311	340,311	340,311	340,311	409,219	478,128	547,036	615,945	684,853	753,762	822,670	891,579	960,487	1,029,395	
13.28%	340,880	340,880	340,880	340,880	340,880	409,904	478,927	547,951	616,975	685,998	755,022	824,046	893,069	962,093	1,031,117	
13.29%	341,450	341,450	341,450	341,450	341,450	410,589	479,728	548,867	618,006	687,145	756,284	825,423	894,562	963,701	1,032,840	
13.30%	342,021	342,021	342,021	342,021	342,021	411,275	480,530	549,784	619,039	688,294	757,548	826,803	896,057	965,312	1,034,566	
13.31%	342,592	342,592	342,592	342,592	342,592	411,962	481,333	550,703	620,073	689,444	758,814	828,184	897,555	966,925	1,036,295	
13.32%	343,165	343,165	343,165	343,165	343,165	412,651	482,137	551,623	621,109	690,596	760,082	829,568	898,541	968,541	1,038,027	
13.33%	343,738	343,738	343,738	343,738	343,738	413,340	482,942	552,545	622,147	691,749	761,352	830,954	900,556	970,159	1,039,761	
13.34%	344,312	344,312	344,312	344,312	344,312	414,030	483,749	553,468	623,186	692,905	762,623	832,342	901,606	971,779	1,041,498	
13.35%	344,887	344,887	344,887	344,887	344,887	414,722	484,557	554,392	624,227	693,897	763,827	833,732	902,667	973,402	1,043,237	
13.36%	345,463	345,463	345,463	345,463	345,463	415,414	485,366	555,318	625,269	695,221	765,172	835,124	905,076	975,027	1,044,979	
13.37%	346,040	346,040	346,040	346,040	346,040	416,108	486,176	556,245	626,313	696,381	766,450	836,518	906,587	976,655	1,046,723	
13.38%	346,617	346,617	346,617	346,617	346,617	416,802	486,988	557,173	627,358	697,544	767,729	837,915	908,100	978,285	1,048,471	
13.39%	347,196	347,196	347,196	347,196	347,196	417,498	487,801	558,103	628,406	698,708	769,010	839,313	909,615	979,918	1,050,220	

SCHEDULE 1

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
13.40%	347,775	347,775	347,775	347,775	347,775	418,195	488,615	559,034	629,454	699,874	770,294	840,713	911,133	981,553	1,051,973
13.41%	348,355	348,355	348,355	348,355	348,355	418,892	489,312	559,731	630,151	700,571	770,991	841,411	911,831	982,251	1,052,671
13.42%	348,936	348,936	348,936	348,936	348,936	419,589	490,009	560,428	630,848	701,268	771,688	842,108	912,528	982,948	1,053,368
13.43%	349,518	349,518	349,518	349,518	349,518	420,286	490,706	561,125	631,545	701,965	772,385	842,805	913,225	983,645	1,053,949
13.44%	350,101	350,101	350,101	350,101	350,101	420,983	491,403	561,822	632,242	702,662	773,082	843,502	913,922	984,342	1,054,532
13.45%	350,685	350,685	350,685	350,685	350,685	421,680	492,100	562,259	633,679	704,099	774,519	844,939	914,359	985,379	1,055,116
13.46%	351,270	351,270	351,270	351,270	351,270	422,377	492,797	563,176	634,166	704,586	775,006	845,426	914,846	986,266	1,055,700
13.47%	351,855	351,855	351,855	351,855	351,855	423,074	493,494	564,075	635,065	705,476	775,896	846,346	915,366	987,146	1,056,284
13.48%	352,442	352,442	352,442	352,442	352,442	423,771	494,191	564,974	635,964	706,366	776,796	847,246	915,846	987,926	1,056,868
13.49%	353,029	353,029	353,029	353,029	353,029	424,468	494,891	565,873	636,863	707,257	777,717	848,146	916,326	988,706	1,057,452
13.50%	353,617	353,617	353,617	353,617	353,617	425,165	495,591	566,772	637,762	708,148	778,638	849,088	916,806	989,486	1,058,036
13.51%	354,206	354,206	354,206	354,206	354,206	425,862	496,288	567,671	638,661	709,039	779,559	850,009	917,286	990,366	1,058,620
13.52%	354,796	354,796	354,796	354,796	354,796	426,559	496,985	568,570	639,560	710,030	780,448	850,898	917,766	991,246	1,059,204
13.53%	355,387	355,387	355,387	355,387	355,387	427,256	497,682	569,469	640,459	710,921	781,337	851,797	918,246	992,126	1,059,788
13.54%	355,979	355,979	355,979	355,979	355,979	427,953	498,379	570,368	641,358	711,812	782,223	852,696	918,726	993,006	1,060,372
13.55%	356,572	356,572	356,572	356,572	356,572	428,650	499,076	571,267	642,257	712,703	783,114	853,595	919,206	993,886	1,060,956
13.56%	357,165	357,165	357,165	357,165	357,165	429,347	499,773	572,166	643,156	713,594	784,005	854,494	919,686	994,766	1,061,540
13.57%	357,760	357,760	357,760	357,760	357,760	430,044	500,470	573,065	644,054	714,485	784,896	855,393	920,166	995,646	1,062,124
13.58%	358,355	358,355	358,355	358,355	358,355	430,741	501,167	573,966	644,953	715,376	785,787	856,292	920,646	996,526	1,062,708
13.59%	358,952	358,952	358,952	358,952	358,952	431,438	501,864	574,867	645,852	716,267	786,678	857,191	921,126	997,406	1,063,292
13.60%	359,549	359,549	359,549	359,549	359,549	432,135	502,561	575,768	646,751	717,158	787,569	858,090	921,606	998,286	1,063,876
13.61%	360,147	360,147	360,147	360,147	360,147	432,832	503,258	576,669	647,650	718,049	788,460	858,989	922,086	999,166	1,064,460
13.62%	360,746	360,746	360,746	360,746	360,746	433,529	503,955	577,568	648,549	718,940	789,351	859,888	922,566	999,946	1,065,044
13.63%	361,346	361,346	361,346	361,346	361,346	434,226	504,652	578,467	649,448	719,831	790,242	860,787	923,046	1,000,826	1,065,628
13.64%	361,947	361,947	361,947	361,947	361,947	434,923	505,349	579,366	650,347	720,723	791,134	861,686	923,526	1,001,706	1,066,212
13.65%	362,549	362,549	362,549	362,549	362,549	435,620	506,046	580,265	651,246	721,614	792,025	862,585	924,006	1,002,586	1,066,796
13.66%	363,152	363,152	363,152	363,152	363,152	436,317	506,743	581,164	652,145	722,505	792,916	863,484	924,486	1,003,466	1,067,380
13.67%	363,756	363,756	363,756	363,756	363,756	437,014	507,440	582,063	653,044	723,396	793,807	864,383	924,966	1,004,346	1,067,964
13.68%	364,361	364,361	364,361	364,361	364,361	437,711	508,137	582,962	653,943	724,287	794,698	865,282	925,446	1,005,226	1,068,548
13.69%	364,966	364,966	364,966	364,966	364,966	438,408	508,834	583,861	654,842	725,178	795,589	866,181	925,926	1,006,106	1,069,132
13.70%	365,573	365,573	365,573	365,573	365,573	439,105	509,531	584,760	655,741	726,069	796,480	867,080	926,406	1,006,986	1,069,716
13.71%	366,180	366,180	366,180	366,180	366,180	439,802	510,228	585,659	656,640	726,960	797,371	867,979	926,886	1,007,866	1,070,300
13.72%	366,789	366,789	366,789	366,789	366,789	440,509	510,925	586,558	657,539	727,851	798,262	868,878	927,366	1,008,746	1,070,884
13.73%	367,398	367,398	367,398	367,398	367,398	441,206	511,622	587,457	658,438	728,742	799,153	869,777	927,846	1,009,626	1,071,468
13.74%	368,009	368,009	368,009	368,009	368,009	441,903	512,319	588,356	659,337	729,633	800,044	870,676	928,326	1,010,506	1,072,052
13.75%	368,620	368,620	368,620	368,620	368,620	442,600	513,016	589,255	660,236	730,524	800,935	871,575	928,806	1,011,386	1,072,636
13.76%	369,232	369,232	369,232	369,232	369,232	443,297	513,713	590,154	661,135	731,415	801,826	872,474	929,286	1,012,266	1,073,220
13.77%	369,845	369,845	369,845	369,845	369,845	444,004	514,410	591,053	662,034	732,306	802,717	873,373	929,766	1,013,146	1,073,804
13.78%	370,459	370,459	370,459	370,459	370,459	444,701	515,107	591,952	662,933	733,197	803,608	874,272	930,246	1,014,026	1,074,388
13.79%	371,075	371,075	371,075	371,075	371,075	445,408	515,804	592,851	663,832	734,088	804,509	875,171	930,726	1,014,906	1,074,972

SCHEDULE 1

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
13.80%	371,691	371,691	371,691	371,691	371,691	446,953	522,215	597,478	672,740	748,002	823,265	898,527	973,790	1,049,052	1,124,314
13.81%	372,308	372,308	372,308	372,308	372,308	447,695	523,062	598,425	673,857	749,244	824,632	900,019	975,406	1,050,793	1,126,181
13.82%	372,926	372,926	372,926	372,926	372,926	448,438	523,951	599,463	674,975	750,488	826,000	901,513	977,025	1,052,538	1,128,050
13.83%	373,545	373,545	373,545	373,545	373,545	449,182	524,820	600,458	676,096	751,733	827,371	903,009	978,647	1,054,285	1,129,922
13.84%	374,165	374,165	374,165	374,165	374,165	449,928	525,691	601,454	677,218	752,981	828,744	904,508	980,271	1,056,034	1,131,798
13.85%	374,785	374,785	374,785	374,785	374,785	450,674	526,563	602,453	678,342	754,231	830,120	906,009	981,898	1,057,787	1,133,676
13.86%	375,407	375,407	375,407	375,407	375,407	451,422	527,437	603,452	679,467	755,482	831,497	907,512	983,527	1,059,542	1,135,557
13.87%	376,030	376,030	376,030	376,030	376,030	452,171	528,312	604,453	680,594	756,736	832,877	909,018	985,159	1,061,300	1,137,441
13.88%	376,654	376,654	376,654	376,654	376,654	452,921	529,189	605,456	681,724	757,991	834,258	910,526	986,793	1,063,061	1,139,328
13.89%	377,279	377,279	377,279	377,279	377,279	453,673	530,067	606,461	682,854	759,248	835,642	912,036	988,430	1,064,824	1,141,218
13.90%	377,905	377,905	377,905	377,905	377,905	454,425	530,946	607,466	683,987	760,508	837,028	913,549	990,070	1,066,590	1,143,111
13.91%	378,531	378,531	378,531	378,531	378,531	455,179	531,826	608,474	685,121	761,639	838,417	915,064	991,712	1,068,359	1,145,007
13.92%	379,159	379,159	379,159	379,159	379,159	455,934	532,708	609,483	686,258	762,932	839,807	916,562	993,356	1,070,131	1,146,906
13.93%	379,788	379,788	379,788	379,788	379,788	456,690	533,592	610,494	687,396	764,298	841,200	918,102	995,004	1,071,906	1,148,808
13.94%	380,418	380,418	380,418	380,418	380,418	457,447	534,477	611,506	688,536	765,655	842,595	919,624	996,653	1,073,683	1,150,712
13.95%	381,048	381,048	381,048	381,048	381,048	458,206	535,363	612,520	689,677	766,834	843,992	921,149	998,306	1,075,463	1,152,620
13.96%	381,680	381,680	381,680	381,680	381,680	458,965	536,250	613,535	690,821	768,106	845,391	922,676	999,961	1,077,246	1,154,531
13.97%	382,313	382,313	382,313	382,313	382,313	459,726	537,139	614,553	691,966	769,379	846,792	924,205	1,001,619	1,079,032	1,156,445
13.98%	382,947	382,947	382,947	382,947	382,947	460,488	538,030	615,571	693,113	770,654	848,196	925,737	1,003,279	1,080,821	1,158,362
13.99%	383,581	383,581	383,581	383,581	383,581	461,251	538,921	616,592	694,262	771,932	849,602	927,272	1,004,942	1,082,612	1,160,282
14.00%	384,217	384,217	384,217	384,217	384,217	462,016	539,815	617,614	695,412	773,211	851,010	928,809	1,006,608	1,084,406	1,162,205
14.01%	384,854	384,854	384,854	384,854	384,854	462,782	540,709	618,637	696,565	774,493	852,420	930,348	1,008,276	1,086,204	1,164,131
14.02%	385,492	385,492	385,492	385,492	385,492	463,548	541,605	619,662	697,719	775,776	853,833	931,890	1,009,947	1,088,004	1,166,061
14.03%	386,130	386,130	386,130	386,130	386,130	464,317	542,503	620,689	698,975	777,062	855,248	933,434	1,011,620	1,089,807	1,167,993
14.04%	386,770	386,770	386,770	386,770	386,770	465,086	543,402	621,718	700,033	778,349	856,665	934,981	1,013,296	1,091,612	1,169,928
14.05%	387,411	387,411	387,411	387,411	387,411	465,857	544,302	622,748	701,193	779,639	858,084	936,530	1,014,975	1,093,421	1,171,866
14.06%	388,053	388,053	388,053	388,053	388,053	466,628	545,204	623,779	702,355	780,930	859,506	938,081	1,016,657	1,095,232	1,173,808
14.07%	388,696	388,696	388,696	388,696	388,696	467,401	546,107	624,813	703,518	782,224	860,930	939,635	1,018,341	1,097,047	1,175,752
14.08%	389,340	389,340	389,340	389,340	389,340	468,176	547,012	625,848	704,684	783,520	862,356	941,192	1,020,028	1,098,864	1,177,700
14.09%	389,984	389,984	389,984	389,984	389,984	468,951	547,918	626,884	705,851	784,818	863,784	942,751	1,021,718	1,100,684	1,179,651
14.10%	390,630	390,630	390,630	390,630	390,630	469,728	548,825	627,923	707,020	786,118	865,215	944,312	1,023,410	1,102,507	1,181,605
14.11%	391,277	391,277	391,277	391,277	391,277	470,506	549,734	628,963	708,191	787,420	866,648	945,876	1,025,105	1,104,333	1,183,562
14.12%	391,925	391,925	391,925	391,925	391,925	471,285	550,645	630,004	709,364	788,724	868,083	947,443	1,026,803	1,106,162	1,185,522
14.13%	392,574	392,574	392,574	392,574	392,574	472,066	551,557	631,048	710,539	790,030	869,521	949,012	1,028,503	1,107,994	1,187,485
14.14%	393,225	393,225	393,225	393,225	393,225	472,847	552,470	632,093	711,715	791,338	870,961	950,582	1,030,206	1,109,829	1,189,452
14.15%	393,876	393,876	393,876	393,876	393,876	473,630	553,385	633,139	712,894	792,648	872,403	952,158	1,031,912	1,111,667	1,191,421
14.16%	394,528	394,528	394,528	394,528	394,528	474,414	554,301	634,188	714,074	793,961	873,848	953,734	1,033,621	1,113,507	1,193,394
14.17%	395,181	395,181	395,181	395,181	395,181	475,200	555,219	635,238	715,257	795,275	875,294	955,313	1,035,332	1,115,351	1,195,370
14.18%	395,835	395,835	395,835	395,835	395,835	475,987	556,138	636,289	716,441	796,592	876,744	956,895	1,037,046	1,117,198	1,197,349
14.19%	396,491	396,491	396,491	396,491	396,491	476,775	557,059	637,343	717,627	797,911	878,195	958,479	1,038,763	1,119,047	1,199,331

SCHEDULE 1

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
14.20%	397,147	397,147	397,147	397,147	397,147	477,564	557,981	638,398	719,815	799,232	879,649	960,066	1,040,483	1,120,900	1,201,317
14.21%	397,804	397,804	397,804	397,804	397,804	478,355	559,065	639,465	720,065	800,555	881,105	961,655	1,042,205	1,122,755	1,203,305
14.22%	398,463	398,463	398,463	398,463	398,463	479,146	560,330	640,513	721,197	801,687	882,564	963,247	1,043,937	1,124,614	1,205,297
14.23%	399,123	399,123	399,123	399,123	399,123	479,940	561,574	641,574	722,391	803,208	884,024	964,841	1,045,658	1,126,475	1,207,292
14.24%	399,783	399,783	399,783	399,783	399,783	480,734	563,650	643,650	723,586	804,537	885,488	966,340	1,047,389	1,128,340	1,209,291
14.25%	400,445	400,445	400,445	400,445	400,445	481,530	565,614	645,614	725,583	806,569	887,520	968,378	1,049,323	1,130,208	1,211,092
14.26%	401,108	401,108	401,108	401,108	401,108	482,327	567,646	647,646	727,583	808,520	889,471	970,288	1,051,178	1,132,078	1,212,927
14.27%	401,772	401,772	401,772	401,772	401,772	483,125	569,728	649,728	729,640	810,520	891,471	972,288	1,053,178	1,134,078	1,214,856
14.28%	402,436	402,436	402,436	402,436	402,436	483,924	571,810	651,810	731,640	812,520	893,471	974,288	1,055,178	1,136,078	1,216,731
14.29%	403,102	403,102	403,102	403,102	403,102	484,725	573,899	653,899	733,640	814,520	895,471	976,288	1,057,178	1,138,078	1,218,556
14.30%	403,770	403,770	403,770	403,770	403,770	485,527	576,285	656,285	736,011	817,520	898,471	979,288	1,059,178	1,140,078	1,220,370
14.31%	404,438	404,438	404,438	404,438	404,438	486,331	578,374	658,374	738,087	820,000	901,471	982,288	1,061,178	1,142,078	1,222,242
14.32%	405,107	405,107	405,107	405,107	405,107	487,136	580,463	660,463	740,164	822,000	903,471	984,288	1,063,178	1,144,078	1,224,114
14.33%	405,777	405,777	405,777	405,777	405,777	487,942	582,552	662,552	742,250	824,000	905,471	986,288	1,065,178	1,146,078	1,226,000
14.34%	406,449	406,449	406,449	406,449	406,449	488,749	584,641	664,641	744,337	826,000	907,471	988,288	1,067,178	1,148,078	1,227,876
14.35%	407,121	407,121	407,121	407,121	407,121	489,558	586,730	666,730	746,424	828,000	909,471	990,288	1,069,178	1,150,078	1,229,752
14.36%	407,795	407,795	407,795	407,795	407,795	490,368	588,819	668,819	748,511	830,000	911,471	992,288	1,071,178	1,152,078	1,231,628
14.37%	408,470	408,470	408,470	408,470	408,470	491,179	590,908	670,908	750,595	832,000	913,471	994,288	1,073,178	1,154,078	1,233,504
14.38%	409,145	409,145	409,145	409,145	409,145	491,992	592,997	672,997	752,683	834,000	915,471	996,288	1,075,178	1,156,078	1,235,380
14.39%	409,822	409,822	409,822	409,822	409,822	492,806	595,086	675,086	754,770	836,000	917,471	998,288	1,077,178	1,158,078	1,237,256
14.40%	410,500	410,500	410,500	410,500	410,500	493,621	597,472	677,472	756,857	838,000	919,471	999,288	1,079,178	1,160,078	1,239,132
14.41%	411,180	411,180	411,180	411,180	411,180	494,438	599,561	679,561	758,946	840,000	921,471	1,001,288	1,081,178	1,162,078	1,241,008
14.42%	411,860	411,860	411,860	411,860	411,860	495,256	601,650	681,650	760,033	842,000	923,471	1,003,288	1,083,178	1,164,078	1,242,884
14.43%	412,541	412,541	412,541	412,541	412,541	496,075	603,739	683,739	762,122	844,000	925,471	1,005,288	1,085,178	1,166,078	1,244,760
14.44%	413,224	413,224	413,224	413,224	413,224	496,896	605,828	685,828	764,211	846,000	927,471	1,007,288	1,087,178	1,168,078	1,246,636
14.45%	413,907	413,907	413,907	413,907	413,907	497,718	607,917	687,917	766,300	848,000	929,471	1,009,288	1,089,178	1,170,078	1,248,512
14.46%	414,592	414,592	414,592	414,592	414,592	498,541	610,006	690,006	768,389	850,000	931,471	1,011,288	1,091,178	1,172,078	1,250,388
14.47%	415,278	415,278	415,278	415,278	415,278	499,366	612,095	692,095	770,478	852,000	933,471	1,013,288	1,093,178	1,174,078	1,252,264
14.48%	415,965	415,965	415,965	415,965	415,965	500,192	614,184	694,184	772,567	854,000	935,471	1,015,288	1,095,178	1,176,078	1,254,140
14.49%	416,653	416,653	416,653	416,653	416,653	501,020	616,273	696,273	774,656	856,000	937,471	1,017,288	1,097,178	1,178,078	1,256,016
14.50%	417,342	417,342	417,342	417,342	417,342	501,849	618,362	698,362	776,740	858,000	939,471	1,019,288	1,099,178	1,180,078	1,257,892
14.51%	418,033	418,033	418,033	418,033	418,033	502,679	620,451	700,451	778,829	860,000	941,471	1,021,288	1,101,178	1,182,078	1,259,768
14.52%	418,724	418,724	418,724	418,724	418,724	503,510	622,540	702,540	780,918	862,000	943,471	1,023,288	1,103,178	1,184,078	1,261,644
14.53%	419,417	419,417	419,417	419,417	419,417	504,343	624,629	704,629	782,007	864,000	945,471	1,025,288	1,105,178	1,186,078	1,263,520
14.54%	420,111	420,111	420,111	420,111	420,111	505,178	626,718	706,718	783,096	866,000	947,471	1,027,288	1,107,178	1,188,078	1,265,396
14.55%	420,806	420,806	420,806	420,806	420,806	506,013	628,807	708,807	784,185	868,000	949,471	1,029,288	1,109,178	1,190,078	1,267,272
14.56%	421,502	421,502	421,502	421,502	421,502	506,851	630,896	710,896	785,274	870,000	951,471	1,031,288	1,111,178	1,192,078	1,269,148
14.57%	422,199	422,199	422,199	422,199	422,199	507,689	632,985	712,985	786,363	872,000	953,471	1,033,288	1,113,178	1,194,078	1,271,024
14.58%	422,898	422,898	422,898	422,898	422,898	508,529	635,074	715,074	787,452	874,000	955,471	1,035,288	1,115,178	1,196,078	1,272,896
14.59%	423,597	423,597	423,597	423,597	423,597	509,370	637,163	717,163	788,541	876,000	957,471	1,037,288	1,117,178	1,198,078	1,274,772

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
14.60%	424,298	424,298	424,298	424,298	424,298	510,213	596,128	682,042	767,957	853,872	939,787	1,025,701	1,111,616	1,197,531	1,283,446
14.61%	425,000	425,000	425,000	425,000	425,000	511,057	597,114	683,171	769,228	855,285	941,341	1,027,398	1,113,455	1,199,512	1,285,569
14.62%	425,703	425,703	425,703	425,703	425,703	511,903	598,102	684,301	770,500	856,700	942,899	1,029,098	1,115,297	1,201,497	1,287,696
14.63%	426,408	426,408	426,408	426,408	426,408	512,749	599,091	685,433	771,775	858,117	944,459	1,030,801	1,117,142	1,203,484	1,289,826
14.64%	427,113	427,113	427,113	427,113	427,113	513,598	600,083	686,567	773,052	859,537	946,021	1,032,506	1,118,991	1,205,475	1,291,960
14.65%	427,820	427,820	427,820	427,820	427,820	514,448	601,075	687,703	774,331	860,959	947,587	1,034,214	1,120,842	1,207,470	1,294,088
14.66%	428,528	428,528	428,528	428,528	428,528	515,299	602,070	688,841	775,612	862,383	949,154	1,035,925	1,122,697	1,209,468	1,296,239
14.67%	429,237	429,237	429,237	429,237	429,237	516,151	603,066	689,981	776,895	863,810	950,725	1,037,639	1,124,554	1,211,469	1,298,384
14.68%	429,947	429,947	429,947	429,947	429,947	517,005	604,064	691,122	778,181	865,239	952,298	1,039,356	1,126,415	1,213,473	1,300,532
14.69%	430,658	430,658	430,658	430,658	430,658	517,861	605,063	692,266	779,468	866,671	953,874	1,041,076	1,128,279	1,215,481	1,302,684
14.70%	431,371	431,371	431,371	431,371	431,371	518,718	606,065	693,411	780,758	868,105	955,452	1,042,799	1,130,146	1,217,492	1,304,839
14.71%	432,085	432,085	432,085	432,085	432,085	519,576	607,067	694,559	782,050	869,542	957,033	1,044,524	1,132,016	1,219,507	1,306,998
14.72%	432,800	432,800	432,800	432,800	432,800	520,436	608,072	695,708	783,344	870,960	958,617	1,046,253	1,133,889	1,221,525	1,309,161
14.73%	433,516	433,516	433,516	433,516	433,516	521,297	609,078	696,859	784,641	872,422	960,203	1,047,984	1,135,765	1,223,546	1,311,328
14.74%	434,233	434,233	434,233	434,233	434,233	522,160	610,086	698,013	785,939	873,865	961,792	1,049,718	1,137,645	1,225,571	1,313,498
14.75%	434,952	434,952	434,952	434,952	434,952	523,024	611,096	699,168	787,240	875,312	963,384	1,051,455	1,139,527	1,227,599	1,315,671
14.76%	435,672	435,672	435,672	435,672	435,672	523,889	612,107	700,325	788,542	876,760	964,978	1,053,196	1,141,413	1,229,631	1,317,849
14.77%	436,393	436,393	436,393	436,393	436,393	524,756	613,120	701,484	789,848	878,211	966,575	1,054,939	1,143,302	1,231,666	1,320,030
14.78%	437,115	437,115	437,115	437,115	437,115	525,625	614,135	702,645	791,155	879,665	968,175	1,056,685	1,145,195	1,233,704	1,322,214
14.79%	437,838	437,838	437,838	437,838	437,838	526,495	615,151	703,808	792,464	881,121	969,777	1,058,434	1,147,090	1,235,746	1,324,403
14.80%	438,563	438,563	438,563	438,563	438,563	527,366	616,170	704,973	793,776	882,579	971,382	1,060,185	1,148,989	1,237,792	1,326,595
14.81%	439,289	439,289	439,289	439,289	439,289	528,239	617,189	706,140	795,090	884,040	972,990	1,061,940	1,150,890	1,239,841	1,328,791
14.82%	440,016	440,016	440,016	440,016	440,016	529,114	618,211	707,309	796,406	885,503	974,601	1,063,698	1,152,796	1,241,893	1,330,990
14.83%	440,745	440,745	440,745	440,745	440,745	529,990	619,234	708,479	797,724	886,969	976,214	1,065,459	1,154,704	1,243,949	1,333,194
14.84%	441,474	441,474	441,474	441,474	441,474	530,867	620,260	709,652	799,045	888,438	977,830	1,067,223	1,156,615	1,246,008	1,335,401
14.85%	442,205	442,205	442,205	442,205	442,205	531,746	621,286	710,827	800,368	889,908	979,449	1,068,990	1,158,530	1,248,071	1,337,612
14.86%	442,937	442,937	442,937	442,937	442,937	532,626	622,315	712,004	801,693	891,382	981,071	1,070,759	1,160,448	1,250,137	1,339,826
14.87%	443,671	443,671	443,671	443,671	443,671	533,508	623,345	713,183	803,020	892,858	982,695	1,072,532	1,162,370	1,252,207	1,342,044
14.88%	444,405	444,405	444,405	444,405	444,405	534,391	624,378	714,364	804,350	894,336	984,322	1,074,308	1,164,294	1,254,280	1,344,267
14.89%	445,141	445,141	445,141	445,141	445,141	535,276	625,411	715,547	805,682	895,817	985,952	1,076,287	1,166,222	1,256,357	1,346,492
14.90%	445,878	445,878	445,878	445,878	445,878	536,163	626,447	716,731	807,016	897,300	987,585	1,077,869	1,168,153	1,258,438	1,348,722
14.91%	446,617	446,617	446,617	446,617	446,617	537,051	627,484	717,918	808,352	898,786	989,220	1,079,654	1,170,088	1,260,522	1,350,956
14.92%	447,356	447,356	447,356	447,356	447,356	537,940	628,524	719,107	809,691	900,275	990,858	1,081,442	1,172,026	1,262,609	1,353,193
14.93%	448,097	448,097	448,097	448,097	448,097	538,831	629,565	720,298	811,032	901,766	992,499	1,083,233	1,173,967	1,264,700	1,355,434
14.94%	448,839	448,839	448,839	448,839	448,839	539,723	630,607	721,491	812,375	903,259	994,143	1,085,027	1,175,911	1,266,795	1,357,679
14.95%	449,583	449,583	449,583	449,583	449,583	540,617	631,652	722,686	813,721	904,755	995,790	1,086,824	1,177,859	1,268,893	1,359,928
14.96%	450,328	450,328	450,328	450,328	450,328	541,513	632,698	723,883	815,069	906,254	997,439	1,088,625	1,179,810	1,270,995	1,362,181
14.97%	451,074	451,074	451,074	451,074	451,074	542,410	633,746	725,083	816,419	907,755	999,092	1,090,428	1,181,764	1,273,101	1,364,437
14.98%	451,821	451,821	451,821	451,821	451,821	543,309	634,796	726,284	817,772	909,259	1,000,747	1,092,235	1,183,722	1,275,210	1,366,688
14.99%	452,569	452,569	452,569	452,569	452,569	544,209	635,848	727,487	819,126	910,766	1,002,405	1,094,044	1,185,683	1,277,323	1,368,962

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
15.00%	453,319	453,319	453,319	453,319	453,319	545,110	636,901	728,693	820,484	912,275	1,004,066	1,095,857	1,187,648	1,279,439	1,371,230
15.01%	454,070	454,070	454,070	454,070	454,070	546,014	637,957	729,900	821,843	913,786	1,005,730	1,097,673	1,189,616	1,281,559	1,373,502
15.02%	454,823	454,823	454,823	454,823	454,823	546,918	639,014	731,110	823,053	915,001	1,007,396	1,099,492	1,191,587	1,283,683	1,375,778
15.03%	455,577	455,577	455,577	455,577	455,577	547,825	640,073	732,321	824,569	916,817	1,009,066	1,101,314	1,193,562	1,285,810	1,378,058
15.04%	456,332	456,332	456,332	456,332	456,332	548,733	641,134	733,535	825,936	918,337	1,010,738	1,103,139	1,195,540	1,287,941	1,380,342
15.05%	457,088	457,088	457,088	457,088	457,088	549,642	642,196	734,751	827,305	919,869	1,012,413	1,104,968	1,197,522	1,290,076	1,382,630
15.06%	457,846	457,846	457,846	457,846	457,846	550,553	643,261	735,969	828,678	921,384	1,014,091	1,106,799	1,199,507	1,292,214	1,384,922
15.07%	458,605	458,605	458,605	458,605	458,605	551,466	644,327	737,189	830,050	922,911	1,015,773	1,108,634	1,201,495	1,294,357	1,387,218
15.08%	459,365	459,365	459,365	459,365	459,365	552,380	645,395	738,411	831,426	924,441	1,017,457	1,110,472	1,203,487	1,296,502	1,389,518
15.09%	460,127	460,127	460,127	460,127	460,127	553,296	646,466	739,635	832,804	925,974	1,019,143	1,112,313	1,205,482	1,298,652	1,391,821
15.10%	460,889	460,889	460,889	460,889	460,889	554,213	647,537	740,861	834,185	927,509	1,020,833	1,114,157	1,207,481	1,300,805	1,394,129
15.11%	461,654	461,654	461,654	461,654	461,654	555,132	648,611	742,090	835,569	929,047	1,022,526	1,116,005	1,209,484	1,302,962	1,396,441
15.12%	462,419	462,419	462,419	462,419	462,419	556,053	649,687	743,321	836,954	930,588	1,024,222	1,117,856	1,211,489	1,305,123	1,398,757
15.13%	463,186	463,186	463,186	463,186	463,186	556,975	650,764	744,553	838,342	932,131	1,025,920	1,119,709	1,213,499	1,307,288	1,401,077
15.14%	463,955	463,955	463,955	463,955	463,955	557,899	651,844	745,788	839,733	933,678	1,027,622	1,121,567	1,215,511	1,309,456	1,403,400
15.15%	464,724	464,724	464,724	464,724	464,724	558,825	652,925	747,025	841,126	935,226	1,029,327	1,123,427	1,217,528	1,311,628	1,405,728
15.16%	465,495	465,495	465,495	465,495	465,495	559,752	654,008	748,265	842,521	936,778	1,031,034	1,125,291	1,219,547	1,313,804	1,408,060
15.17%	466,267	466,267	466,267	466,267	466,267	560,680	655,093	749,506	843,919	938,332	1,032,745	1,127,158	1,221,571	1,315,984	1,410,396
15.18%	467,041	467,041	467,041	467,041	467,041	561,611	656,180	750,750	845,319	939,889	1,034,458	1,129,028	1,223,598	1,318,167	1,412,737
15.19%	467,816	467,816	467,816	467,816	467,816	562,542	657,269	751,995	846,722	941,448	1,036,175	1,130,901	1,225,628	1,320,354	1,415,081
15.20%	468,592	468,592	468,592	468,592	468,592	563,476	658,360	753,243	848,127	943,011	1,037,894	1,132,778	1,227,662	1,322,546	1,417,429
15.21%	469,370	469,370	469,370	469,370	469,370	564,411	659,452	754,494	849,535	944,576	1,039,617	1,134,658	1,229,699	1,324,741	1,419,782
15.22%	470,149	470,149	470,149	470,149	470,149	565,348	660,547	755,746	850,945	946,144	1,041,343	1,136,542	1,231,741	1,326,939	1,422,138
15.23%	470,930	470,930	470,930	470,930	470,930	566,287	661,643	757,000	852,357	947,714	1,043,071	1,138,428	1,233,785	1,329,142	1,424,499
15.24%	471,711	471,711	471,711	471,711	471,711	567,227	662,742	758,257	853,772	949,288	1,044,803	1,140,318	1,235,833	1,331,349	1,426,864
15.25%	472,495	472,495	472,495	472,495	472,495	568,168	663,842	759,516	855,190	950,864	1,046,538	1,142,212	1,237,885	1,333,559	1,429,233
15.26%	473,279	473,279	473,279	473,279	473,279	569,112	664,945	760,777	856,610	952,443	1,048,275	1,144,108	1,239,941	1,335,774	1,431,606
15.27%	474,065	474,065	474,065	474,065	474,065	570,057	666,049	762,041	858,033	954,024	1,050,016	1,146,008	1,242,000	1,337,992	1,433,984
15.28%	474,852	474,852	474,852	474,852	474,852	571,004	667,155	763,306	859,458	955,609	1,051,760	1,147,911	1,244,063	1,340,214	1,436,365
15.29%	475,641	475,641	475,641	475,641	475,641	572,952	668,263	764,574	860,885	957,196	1,053,507	1,149,818	1,246,129	1,342,440	1,438,751
15.30%	476,431	476,431	476,431	476,431	476,431	572,902	669,373	765,844	862,313	958,786	1,055,257	1,151,728	1,248,199	1,344,670	1,441,141
15.31%	477,223	477,223	477,223	477,223	477,223	573,854	670,485	767,117	863,748	960,379	1,057,010	1,153,642	1,250,273	1,346,904	1,443,535
15.32%	478,016	478,016	478,016	478,016	478,016	574,808	671,599	768,391	865,183	961,975	1,058,767	1,155,558	1,252,350	1,349,142	1,445,934
15.33%	478,810	478,810	478,810	478,810	478,810	575,763	672,715	769,668	866,621	963,573	1,060,526	1,157,479	1,254,431	1,351,384	1,448,337
15.34%	479,606	479,606	479,606	479,606	479,606	576,720	673,833	770,927	868,054	965,175	1,062,289	1,159,402	1,256,516	1,353,630	1,450,744
15.35%	480,403	480,403	480,403	480,403	480,403	577,678	674,953	772,249	869,504	966,779	1,064,054	1,161,329	1,258,605	1,355,880	1,453,155
15.36%	481,202	481,202	481,202	481,202	481,202	578,638	676,075	773,512	870,949	968,386	1,065,823	1,163,260	1,260,697	1,358,134	1,455,570
15.37%	482,002	482,002	482,002	482,002	482,002	579,600	677,199	774,798	872,397	969,996	1,067,595	1,165,194	1,262,793	1,360,391	1,457,990
15.38%	482,803	482,803	482,803	482,803	482,803	580,564	678,325	776,086	873,848	971,609	1,069,370	1,167,131	1,264,892	1,362,653	1,460,415
15.39%	483,606	483,606	483,606	483,606	483,606	581,530	679,453	777,377	875,301	973,224	1,071,148	1,169,072	1,266,996	1,364,919	1,462,843

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
15.40%	484,410	484,410	484,410	484,410	484,410	592,497	680,593	778,670	876,756	974,843	1,072,930	1,171,016	1,269,103	1,367,189	1,465,276
15.41%	485,216	485,216	485,216	485,216	485,216	593,466	681,715	779,965	878,214	976,464	1,074,714	1,172,964	1,271,214	1,369,463	1,467,713
15.42%	486,023	486,023	486,023	486,023	486,023	594,439	682,849	781,262	879,676	978,089	1,076,502	1,174,915	1,273,328	1,371,741	1,470,154
15.43%	486,832	486,832	486,832	486,832	486,832	595,408	683,985	782,562	881,139	979,716	1,078,293	1,176,870	1,275,447	1,374,023	1,472,600
15.44%	487,642	487,642	487,642	487,642	487,642	596,382	685,123	783,864	882,605	981,346	1,080,087	1,178,828	1,277,569	1,376,310	1,475,051
15.45%	488,453	488,453	488,453	488,453	488,453	597,358	686,264	785,169	884,074	982,979	1,081,884	1,180,790	1,279,695	1,378,600	1,477,505
15.46%	489,266	489,266	489,266	489,266	489,266	598,336	687,406	786,475	885,545	984,615	1,083,685	1,182,755	1,281,825	1,380,894	1,479,964
15.47%	490,080	490,080	490,080	490,080	490,080	599,315	688,550	787,785	887,019	986,254	1,085,489	1,184,724	1,283,958	1,383,193	1,482,428
15.48%	490,896	490,896	490,896	490,896	490,896	599,296	689,636	789,096	888,496	987,896	1,087,296	1,186,696	1,286,096	1,385,496	1,484,896
15.49%	491,714	491,714	491,714	491,714	491,714	599,279	690,844	790,410	889,975	989,541	1,089,106	1,188,672	1,288,237	1,387,803	1,487,368
15.50%	492,532	492,532	492,532	492,532	492,532	599,264	691,995	791,726	891,457	991,189	1,090,920	1,190,651	1,290,382	1,390,113	1,489,845
15.51%	493,353	493,353	493,353	493,353	493,353	599,250	693,147	793,045	892,839	992,633	1,092,427	1,192,221	1,292,015	1,391,809	1,491,603
15.52%	494,174	494,174	494,174	494,174	494,174	599,238	694,302	794,366	894,429	994,493	1,094,557	1,194,621	1,294,684	1,394,748	1,494,812
15.53%	494,998	494,998	494,998	494,998	494,998	599,228	695,458	795,689	895,919	996,150	1,096,380	1,196,611	1,296,841	1,397,071	1,497,302
15.54%	495,822	495,822	495,822	495,822	495,822	599,220	696,617	797,015	897,412	997,809	1,098,207	1,198,604	1,299,002	1,399,399	1,499,796
15.55%	496,649	496,649	496,649	496,649	496,649	599,213	697,778	798,343	898,907	999,472	1,100,037	1,200,602	1,301,166	1,401,731	1,502,296
15.56%	497,476	497,476	497,476	497,476	497,476	599,209	698,941	799,673	900,406	1,001,138	1,101,870	1,202,602	1,303,335	1,404,067	1,504,799
15.57%	498,306	498,306	498,306	498,306	498,306	599,206	700,106	801,006	901,906	1,002,807	1,103,707	1,204,607	1,305,507	1,406,407	1,507,308
15.58%	499,136	499,136	499,136	499,136	499,136	600,205	701,273	802,341	903,410	1,004,478	1,105,547	1,206,615	1,307,684	1,408,752	1,509,820
15.59%	499,968	499,968	499,968	499,968	499,968	601,205	702,442	803,679	904,916	1,006,153	1,107,390	1,208,627	1,309,864	1,411,101	1,512,338
15.60%	500,802	500,802	500,802	500,802	500,802	602,208	703,614	805,019	906,425	1,007,831	1,109,237	1,210,642	1,312,048	1,413,454	1,514,860
15.61%	501,637	501,637	501,637	501,637	501,637	603,212	704,787	806,362	907,937	1,009,512	1,111,087	1,212,661	1,314,236	1,415,811	1,517,386
15.62%	502,474	502,474	502,474	502,474	502,474	604,218	705,963	807,707	909,451	1,011,196	1,112,940	1,214,684	1,316,429	1,418,173	1,519,917
15.63%	503,312	503,312	503,312	503,312	503,312	605,226	707,141	809,055	910,969	1,012,883	1,114,797	1,216,711	1,318,625	1,420,539	1,522,453
15.64%	504,152	504,152	504,152	504,152	504,152	606,236	708,320	810,405	912,489	1,014,573	1,116,657	1,218,741	1,320,825	1,422,909	1,524,993
15.65%	504,994	504,994	504,994	504,994	504,994	607,248	709,503	811,757	914,011	1,016,266	1,118,520	1,220,775	1,323,029	1,425,284	1,527,538
15.66%	505,836	505,836	505,836	505,836	505,836	608,262	710,687	813,112	915,537	1,017,962	1,120,387	1,222,812	1,325,237	1,427,663	1,530,088
15.67%	506,681	506,681	506,681	506,681	506,681	609,277	711,873	814,469	917,065	1,019,661	1,122,258	1,224,854	1,327,450	1,430,046	1,532,642
15.68%	507,527	507,527	507,527	507,527	507,527	610,294	713,062	815,829	918,596	1,021,364	1,124,131	1,226,899	1,329,666	1,432,434	1,535,201
15.69%	508,374	508,374	508,374	508,374	508,374	611,313	714,252	817,191	920,130	1,023,069	1,126,008	1,228,947	1,331,886	1,434,826	1,537,765
15.70%	509,223	509,223	509,223	509,223	509,223	612,334	715,445	818,556	921,667	1,024,778	1,127,889	1,231,000	1,334,111	1,437,222	1,540,333
15.71%	510,074	510,074	510,074	510,074	510,074	613,357	716,640	819,924	923,207	1,026,490	1,129,773	1,233,056	1,336,339	1,439,623	1,542,906
15.72%	510,926	510,926	510,926	510,926	510,926	614,382	717,838	821,293	924,748	1,028,205	1,131,661	1,235,116	1,338,572	1,442,028	1,545,484
15.73%	511,780	511,780	511,780	511,780	511,780	615,409	719,037	822,666	926,294	1,029,923	1,133,552	1,237,180	1,340,809	1,444,437	1,548,066
15.74%	512,635	512,635	512,635	512,635	512,635	616,437	720,239	824,041	927,842	1,031,644	1,135,446	1,239,248	1,343,050	1,446,851	1,550,653
15.75%	513,492	513,492	513,492	513,492	513,492	617,467	721,433	825,418	929,393	1,033,369	1,137,344	1,241,319	1,345,295	1,449,270	1,553,245
15.76%	514,351	514,351	514,351	514,351	514,351	618,500	722,649	826,798	930,947	1,035,096	1,139,245	1,243,395	1,347,544	1,451,693	1,555,842
15.77%	515,211	515,211	515,211	515,211	515,211	619,534	723,857	828,181	932,504	1,036,827	1,141,150	1,245,474	1,349,797	1,454,120	1,558,444
15.78%	516,072	516,072	516,072	516,072	516,072	620,570	725,068	829,566	934,063	1,038,561	1,143,059	1,247,557	1,352,054	1,456,552	1,561,050
15.79%	516,936	516,936	516,936	516,936	516,936	621,608	726,281	830,953	935,626	1,040,298	1,144,971	1,249,643	1,354,316	1,458,988	1,563,661

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
15.80%	517,800	517,800	517,800	517,800	517,800	622,648	727,496	832,343	937,191	1,042,039	1,146,886	1,251,734	1,356,582	1,461,429	1,566,277
15.81%	518,667	518,667	518,667	518,667	518,667	623,690	728,713	833,736	938,759	1,043,782	1,148,805	1,253,828	1,358,852	1,463,875	1,568,898
15.82%	519,535	519,535	519,535	519,535	519,535	624,734	729,933	835,131	940,330	1,045,529	1,150,728	1,255,927	1,361,126	1,466,325	1,571,524
15.83%	520,404	520,404	520,404	520,404	520,404	625,779	731,154	836,529	941,904	1,047,279	1,152,654	1,258,029	1,363,404	1,468,779	1,574,154
15.84%	521,276	521,276	521,276	521,276	521,276	626,827	732,378	837,930	943,481	1,048,033	1,154,584	1,260,135	1,365,687	1,471,238	1,576,790
15.85%	522,149	522,149	522,149	522,149	522,149	627,877	733,605	839,333	945,061	1,050,789	1,156,517	1,262,245	1,367,974	1,473,702	1,579,430
15.86%	523,023	523,023	523,023	523,023	523,023	628,928	734,834	840,739	946,644	1,052,449	1,158,454	1,264,359	1,370,265	1,476,170	1,582,075
15.87%	523,899	523,899	523,899	523,899	523,899	629,982	736,064	842,147	948,230	1,054,312	1,160,395	1,266,477	1,372,560	1,478,643	1,584,725
15.88%	524,777	524,777	524,777	524,777	524,777	631,037	737,298	843,558	949,818	1,056,079	1,162,339	1,268,599	1,374,860	1,481,120	1,587,380
15.89%	525,656	525,656	525,656	525,656	525,656	632,095	738,533	844,972	951,410	1,057,848	1,164,287	1,270,725	1,377,164	1,483,602	1,590,040
15.90%	526,537	526,537	526,537	526,537	526,537	633,154	739,771	846,388	953,005	1,059,621	1,166,238	1,272,855	1,379,472	1,486,089	1,592,705
15.91%	527,420	527,420	527,420	527,420	527,420	634,216	741,011	847,807	954,602	1,061,398	1,168,193	1,274,989	1,381,784	1,488,580	1,595,375
15.92%	528,304	528,304	528,304	528,304	528,304	635,279	742,254	849,228	956,203	1,063,177	1,170,152	1,277,127	1,384,101	1,491,076	1,598,050
15.93%	529,190	529,190	529,190	529,190	529,190	636,344	743,498	850,652	957,806	1,064,960	1,172,114	1,279,288	1,386,422	1,493,576	1,600,730
15.94%	530,078	530,078	530,078	530,078	530,078	637,412	744,746	852,079	959,413	1,066,747	1,174,080	1,281,414	1,388,748	1,496,082	1,603,415
15.95%	530,967	530,967	530,967	530,967	530,967	638,481	745,995	853,509	961,023	1,068,536	1,176,050	1,283,564	1,391,078	1,498,592	1,606,105
15.96%	531,858	531,858	531,858	531,858	531,858	639,553	747,247	854,941	962,636	1,070,329	1,178,024	1,285,718	1,393,412	1,501,106	1,608,800
15.97%	532,751	532,751	532,751	532,751	532,751	640,626	748,501	856,376	964,251	1,072,126	1,180,001	1,287,876	1,395,751	1,503,626	1,611,501
15.98%	533,645	533,645	533,645	533,645	533,645	641,701	749,577	857,813	965,870	1,073,926	1,181,982	1,290,038	1,398,094	1,506,150	1,614,206
15.99%	534,541	534,541	534,541	534,541	534,541	642,779	751,016	859,254	967,491	1,075,729	1,183,966	1,292,204	1,400,441	1,508,679	1,616,916
16.00%	535,439	535,439	535,439	535,439	535,439	643,858	752,278	860,697	969,116	1,077,535	1,185,955	1,294,374	1,402,793	1,511,212	1,619,632
16.01%	536,338	536,338	536,338	536,338	536,338	644,940	753,541	862,143	970,744	1,079,345	1,187,947	1,296,548	1,405,149	1,513,751	1,622,352
16.02%	537,240	537,240	537,240	537,240	537,240	646,023	754,807	863,591	972,375	1,081,159	1,189,943	1,298,726	1,407,510	1,516,294	1,625,078
16.03%	538,142	538,142	538,142	538,142	538,142	647,109	756,076	865,042	974,009	1,082,976	1,191,942	1,300,909	1,409,875	1,518,842	1,627,809
16.04%	539,047	539,047	539,047	539,047	539,047	648,197	757,346	866,496	975,646	1,084,796	1,193,946	1,303,095	1,412,245	1,521,395	1,630,545
16.05%	539,953	539,953	539,953	539,953	539,953	649,286	758,620	867,953	977,286	1,086,619	1,195,953	1,305,286	1,414,619	1,523,953	1,633,286
16.06%	540,861	540,861	540,861	540,861	540,861	650,378	759,895	869,412	978,929	1,088,447	1,197,964	1,307,481	1,416,998	1,526,515	1,636,032
16.07%	541,771	541,771	541,771	541,771	541,771	651,473	761,173	870,875	980,576	1,090,277	1,199,979	1,309,680	1,419,381	1,529,082	1,638,784
16.08%	542,682	542,682	542,682	542,682	542,682	652,568	762,454	872,340	982,225	1,092,111	1,201,997	1,311,883	1,421,769	1,531,655	1,641,541
16.09%	543,595	543,595	543,595	543,595	543,595	653,666	763,737	873,807	983,878	1,093,949	1,204,020	1,314,090	1,424,161	1,534,232	1,644,303
16.10%	544,510	544,510	544,510	544,510	544,510	654,766	765,022	875,278	985,534	1,095,790	1,206,046	1,316,302	1,426,558	1,536,814	1,647,070
16.11%	545,427	545,427	545,427	545,427	545,427	655,868	766,310	876,751	987,193	1,097,635	1,208,076	1,318,518	1,428,959	1,539,401	1,649,842
16.12%	546,345	546,345	546,345	546,345	546,345	656,972	767,600	878,228	988,855	1,099,483	1,210,110	1,320,738	1,431,365	1,541,993	1,652,620
16.13%	547,265	547,265	547,265	547,265	547,265	658,079	768,893	879,707	990,520	1,101,334	1,212,148	1,322,962	1,433,776	1,544,590	1,655,403
16.14%	548,187	548,187	548,187	548,187	548,187	659,188	770,188	881,188	992,189	1,103,189	1,214,190	1,325,190	1,436,191	1,547,191	1,658,192
16.15%	549,110	549,110	549,110	549,110	549,110	660,298	771,485	882,673	993,861	1,105,048	1,216,236	1,327,423	1,438,611	1,549,798	1,660,986
16.16%	550,036	550,036	550,036	550,036	550,036	661,411	772,786	884,160	995,535	1,106,910	1,218,285	1,329,660	1,441,035	1,552,410	1,663,785
16.17%	550,963	550,963	550,963	550,963	550,963	662,526	774,088	885,651	997,213	1,108,776	1,220,339	1,331,901	1,443,464	1,555,027	1,666,589
16.18%	551,892	551,892	551,892	551,892	551,892	663,643	775,393	887,144	998,895	1,110,645	1,222,396	1,334,147	1,445,898	1,557,648	1,669,399
16.19%	552,823	552,823	552,823	552,823	552,823	664,762	776,701	888,640	1,000,579	1,112,518	1,224,458	1,336,397	1,448,336	1,560,275	1,672,214

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
16.20%	553,755	553,755	553,755	553,755	553,755	665,883	778,011	890,139	1,002,267	1,114,395	1,226,523	1,338,651	1,450,779	1,562,907	1,675,035
16.21%	554,689	554,689	554,689	554,689	554,689	667,006	779,324	891,641	1,003,958	1,116,275	1,228,592	1,340,910	1,453,227	1,565,544	1,677,861
16.22%	555,625	555,625	555,625	555,625	555,625	668,132	780,639	893,146	1,005,652	1,118,159	1,230,666	1,343,172	1,455,679	1,568,186	1,680,693
16.23%	556,563	556,563	556,563	556,563	556,563	669,260	781,957	894,653	1,007,350	1,120,046	1,232,743	1,345,440	1,458,136	1,570,833	1,683,530
16.24%	557,503	557,503	557,503	557,503	557,503	670,390	783,277	896,164	1,009,051	1,121,937	1,234,824	1,347,711	1,460,598	1,573,485	1,686,372
16.25%	558,444	558,444	558,444	558,444	558,444	671,522	784,600	897,677	1,010,755	1,123,832	1,236,910	1,349,987	1,463,065	1,576,142	1,689,220
16.26%	559,388	559,388	559,388	559,388	559,388	672,656	785,925	899,193	1,012,462	1,125,731	1,239,099	1,352,268	1,465,536	1,578,805	1,692,073
16.27%	560,333	560,333	560,333	560,333	560,333	673,793	787,253	900,713	1,014,173	1,127,633	1,241,093	1,354,552	1,468,012	1,581,472	1,694,932
16.28%	561,280	561,280	561,280	561,280	561,280	674,932	788,583	902,235	1,015,887	1,129,538	1,243,190	1,356,842	1,470,493	1,584,145	1,697,797
16.29%	562,229	562,229	562,229	562,229	562,229	676,072	789,916	903,760	1,017,604	1,131,448	1,245,291	1,359,135	1,472,979	1,586,823	1,700,667
16.30%	563,179	563,179	563,179	563,179	563,179	677,216	791,252	905,288	1,019,325	1,133,361	1,247,397	1,361,433	1,475,470	1,589,506	1,703,542
16.31%	564,132	564,132	564,132	564,132	564,132	678,361	792,590	906,819	1,021,048	1,135,278	1,249,507	1,363,736	1,477,965	1,592,194	1,706,423
16.32%	565,086	565,086	565,086	565,086	565,086	679,509	793,931	908,353	1,022,776	1,137,198	1,251,621	1,366,043	1,480,465	1,594,888	1,709,310
16.33%	566,042	566,042	566,042	566,042	566,042	680,658	795,274	909,890	1,024,506	1,139,122	1,253,738	1,368,354	1,482,970	1,597,586	1,712,203
16.34%	567,000	567,000	567,000	567,000	567,000	681,810	796,620	911,430	1,026,240	1,141,050	1,255,860	1,370,670	1,485,480	1,600,290	1,715,101
16.35%	567,960	567,960	567,960	567,960	567,960	682,965	797,969	912,973	1,027,978	1,142,982	1,257,987	1,372,991	1,487,995	1,603,000	1,718,004
16.36%	568,922	568,922	568,922	568,922	568,922	684,121	799,320	914,520	1,029,719	1,144,918	1,260,117	1,375,316	1,490,515	1,605,714	1,720,913
16.37%	569,886	569,886	569,886	569,886	569,886	685,280	800,674	916,069	1,031,463	1,146,857	1,262,251	1,377,646	1,493,040	1,608,434	1,723,828
16.38%	570,851	570,851	570,851	570,851	570,851	686,441	802,031	917,621	1,033,210	1,148,800	1,264,390	1,379,980	1,495,570	1,611,159	1,726,749
16.39%	571,819	571,819	571,819	571,819	571,819	687,604	803,391	919,176	1,034,961	1,150,747	1,266,533	1,382,318	1,498,104	1,613,890	1,729,675
16.40%	572,788	572,788	572,788	572,788	572,788	688,770	804,752	920,734	1,036,716	1,152,698	1,268,680	1,384,662	1,500,644	1,616,626	1,732,608
16.41%	573,759	573,759	573,759	573,759	573,759	689,938	806,117	922,295	1,038,474	1,154,652	1,270,831	1,387,010	1,503,188	1,619,367	1,735,545
16.42%	574,732	574,732	574,732	574,732	574,732	691,108	807,484	923,859	1,040,235	1,156,611	1,272,986	1,389,362	1,505,738	1,622,113	1,738,489
16.43%	575,708	575,708	575,708	575,708	575,708	692,281	808,854	925,427	1,042,000	1,158,573	1,275,146	1,391,719	1,508,292	1,624,865	1,741,438
16.44%	576,685	576,685	576,685	576,685	576,685	693,455	810,226	926,997	1,043,768	1,160,539	1,277,310	1,394,081	1,510,852	1,627,623	1,744,394
16.45%	577,663	577,663	577,663	577,663	577,663	694,633	811,602	928,571	1,045,540	1,162,509	1,279,478	1,396,447	1,513,416	1,630,365	1,747,355
16.46%	578,644	578,644	578,644	578,644	578,644	695,812	812,980	930,147	1,047,315	1,164,483	1,281,651	1,398,818	1,515,986	1,633,154	1,750,321
16.47%	579,627	579,627	579,627	579,627	579,627	696,994	814,360	931,727	1,049,094	1,166,461	1,283,827	1,401,194	1,518,561	1,635,927	1,753,294
16.48%	580,612	580,612	580,612	580,612	580,612	698,178	815,744	933,310	1,050,876	1,168,442	1,286,008	1,403,574	1,521,140	1,638,707	1,756,273
16.49%	581,598	581,598	581,598	581,598	581,598	699,364	817,130	934,896	1,052,662	1,170,428	1,288,194	1,405,959	1,523,725	1,641,491	1,759,257
16.50%	582,587	582,587	582,587	582,587	582,587	700,553	818,519	936,485	1,054,451	1,172,417	1,290,383	1,408,349	1,526,315	1,644,281	1,762,247
16.51%	583,577	583,577	583,577	583,577	583,577	701,744	819,911	938,077	1,056,244	1,174,411	1,292,577	1,410,744	1,528,910	1,647,077	1,765,244
16.52%	584,570	584,570	584,570	584,570	584,570	702,938	821,305	939,673	1,058,040	1,176,408	1,294,775	1,413,143	1,531,511	1,649,878	1,768,246
16.53%	585,564	585,564	585,564	585,564	585,564	704,133	822,702	941,271	1,059,840	1,178,409	1,296,978	1,415,547	1,534,116	1,652,685	1,771,254
16.54%	586,561	586,561	586,561	586,561	586,561	705,332	824,102	942,856	1,061,644	1,180,414	1,299,185	1,417,956	1,536,727	1,655,497	1,774,268
16.55%	587,559	587,559	587,559	587,559	587,559	706,532	825,505	944,478	1,063,451	1,182,424	1,301,397	1,420,370	1,539,342	1,658,315	1,777,288
16.56%	588,560	588,560	588,560	588,560	588,560	707,735	826,911	946,086	1,065,262	1,184,437	1,303,612	1,422,788	1,541,963	1,661,139	1,780,314
16.57%	589,562	589,562	589,562	589,562	589,562	708,940	828,319	947,697	1,067,076	1,186,454	1,305,833	1,425,211	1,544,590	1,663,968	1,783,346
16.58%	590,566	590,566	590,566	590,566	590,566	710,148	829,730	949,312	1,068,894	1,188,476	1,308,057	1,427,639	1,547,221	1,666,803	1,786,385
16.59%	591,573	591,573	591,573	591,573	591,573	711,358	831,144	950,930	1,070,715	1,190,501	1,310,286	1,430,072	1,549,858	1,669,643	1,789,429

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
16.60%	592,581	592,581	592,581	592,581	592,581	712,571	832,561	952,551	1,072,540	1,192,530	1,312,520	1,432,510	1,552,500	1,672,489	1,792,479
16.61%	593,592	593,592	593,592	593,592	593,592	713,786	833,776	953,766	1,073,756	1,193,746	1,313,736	1,433,726	1,553,716	1,673,706	1,793,696
16.62%	594,604	594,604	594,604	594,604	594,604	714,000	834,000	954,000	1,074,000	1,194,000	1,314,000	1,434,000	1,554,000	1,674,000	1,794,000
16.63%	595,619	595,619	595,619	595,619	595,619	716,223	836,223	957,433	1,078,038	1,198,643	1,319,247	1,439,852	1,560,457	1,681,062	1,801,667
16.64%	596,635	596,635	596,635	596,635	596,635	717,446	838,256	959,067	1,079,878	1,200,688	1,321,499	1,442,310	1,563,120	1,683,931	1,804,742
16.65%	597,654	597,654	597,654	597,654	597,654	718,671	839,687	960,704	1,081,721	1,202,738	1,323,755	1,444,772	1,565,789	1,686,806	1,807,822
16.66%	598,674	598,674	598,674	598,674	598,674	719,888	841,121	962,345	1,083,568	1,204,792	1,326,015	1,447,239	1,568,463	1,689,686	1,810,910
16.67%	599,697	599,697	599,697	599,697	599,697	721,128	842,558	963,989	1,085,419	1,206,850	1,328,281	1,449,711	1,571,142	1,692,572	1,814,003
16.68%	600,722	600,722	600,722	600,722	600,722	722,360	843,998	965,636	1,087,274	1,208,912	1,330,550	1,452,188	1,573,826	1,695,464	1,817,103
16.69%	601,748	601,748	601,748	601,748	601,748	723,594	845,440	967,286	1,089,132	1,210,978	1,332,824	1,454,670	1,576,516	1,698,362	1,820,208
16.70%	602,777	602,777	602,777	602,777	602,777	724,832	846,886	968,940	1,090,995	1,213,049	1,335,103	1,457,158	1,579,212	1,701,266	1,823,321
16.71%	603,808	603,808	603,808	603,808	603,808	726,071	848,334	970,597	1,092,860	1,215,124	1,337,387	1,459,650	1,581,913	1,704,176	1,826,439
16.72%	604,841	604,841	604,841	604,841	604,841	727,313	849,786	972,258	1,094,730	1,217,202	1,339,675	1,462,147	1,584,619	1,707,091	1,829,564
16.73%	605,876	605,876	605,876	605,876	605,876	728,558	851,240	973,922	1,096,604	1,219,285	1,341,967	1,464,649	1,587,331	1,710,013	1,832,695
16.74%	606,913	606,913	606,913	606,913	606,913	729,805	852,697	975,589	1,098,481	1,221,373	1,344,265	1,467,156	1,590,048	1,712,940	1,835,832
16.75%	607,953	607,953	607,953	607,953	607,953	731,055	854,157	977,260	1,100,362	1,223,464	1,346,566	1,469,669	1,592,771	1,715,873	1,838,976
16.76%	608,994	608,994	608,994	608,994	608,994	732,307	855,620	978,934	1,102,247	1,225,560	1,348,673	1,472,186	1,595,499	1,718,813	1,842,126
16.77%	610,038	610,038	610,038	610,038	610,038	733,562	857,087	980,611	1,104,135	1,227,660	1,351,184	1,474,709	1,598,233	1,721,758	1,845,282
16.78%	611,083	611,083	611,083	611,083	611,083	734,819	858,556	982,292	1,106,028	1,229,764	1,353,500	1,477,237	1,600,973	1,724,709	1,848,445
16.79%	612,131	612,131	612,131	612,131	612,131	736,079	860,028	983,976	1,107,924	1,231,873	1,355,821	1,479,769	1,603,718	1,727,666	1,851,614
16.80%	613,181	613,181	613,181	613,181	613,181	737,342	861,503	985,664	1,109,825	1,233,986	1,358,147	1,482,307	1,606,468	1,730,629	1,854,790
16.81%	614,233	614,233	614,233	614,233	614,233	738,607	862,981	987,355	1,111,729	1,236,103	1,360,477	1,484,851	1,609,225	1,733,599	1,857,973
16.82%	615,287	615,287	615,287	615,287	615,287	739,875	864,462	989,049	1,113,637	1,238,224	1,362,812	1,487,399	1,611,986	1,736,574	1,861,161
16.83%	616,343	616,343	616,343	616,343	616,343	741,145	865,946	990,747	1,115,549	1,240,350	1,365,151	1,489,953	1,614,754	1,739,555	1,864,357
16.84%	617,402	617,402	617,402	617,402	617,402	742,418	867,433	992,449	1,117,465	1,242,480	1,367,496	1,492,511	1,617,527	1,742,543	1,867,558
16.85%	618,463	618,463	618,463	618,463	618,463	743,693	868,923	994,154	1,119,384	1,244,615	1,369,845	1,495,076	1,620,306	1,745,536	1,870,767
16.86%	619,525	619,525	619,525	619,525	619,525	744,971	870,417	995,862	1,121,308	1,246,754	1,372,199	1,497,645	1,623,091	1,748,536	1,873,982
16.87%	620,590	620,590	620,590	620,590	620,590	746,252	871,913	997,574	1,123,236	1,248,897	1,374,558	1,500,219	1,625,881	1,751,542	1,877,203
16.88%	621,658	621,658	621,658	621,658	621,658	747,535	873,412	999,290	1,125,167	1,251,045	1,376,922	1,502,799	1,628,677	1,754,554	1,880,431
16.89%	622,727	622,727	622,727	622,727	622,727	748,821	874,915	1,001,009	1,127,103	1,253,197	1,379,291	1,505,385	1,631,478	1,757,572	1,883,666
16.90%	623,799	623,799	623,799	623,799	623,799	750,110	876,421	1,002,731	1,129,042	1,255,353	1,381,664	1,507,975	1,634,286	1,760,597	1,886,908
16.91%	624,873	624,873	624,873	624,873	624,873	751,401	877,929	1,004,458	1,130,986	1,257,514	1,384,043	1,510,571	1,637,099	1,763,628	1,890,156
16.92%	625,949	625,949	625,949	625,949	625,949	752,695	879,441	1,006,187	1,132,933	1,259,680	1,386,426	1,513,172	1,639,918	1,766,665	1,893,411
16.93%	627,027	627,027	627,027	627,027	627,027	753,991	880,956	1,007,920	1,134,885	1,261,850	1,388,814	1,515,779	1,642,743	1,769,708	1,896,672
16.94%	628,107	628,107	628,107	628,107	628,107	755,291	882,474	1,009,657	1,136,841	1,264,024	1,391,207	1,518,381	1,645,574	1,772,757	1,899,941
16.95%	629,190	629,190	629,190	629,190	629,190	756,593	883,995	1,011,388	1,138,800	1,266,203	1,393,605	1,521,008	1,648,411	1,775,813	1,903,216
16.96%	630,275	630,275	630,275	630,275	630,275	757,897	885,519	1,013,142	1,140,764	1,268,386	1,396,009	1,523,631	1,651,253	1,778,675	1,906,498
16.97%	631,362	631,362	631,362	631,362	631,362	759,205	887,047	1,014,889	1,142,732	1,270,574	1,398,417	1,526,259	1,654,101	1,781,944	1,909,786
16.98%	632,452	632,452	632,452	632,452	632,452	760,515	888,578	1,016,641	1,144,704	1,272,767	1,400,830	1,528,893	1,656,956	1,785,019	1,913,082
16.99%	633,543	633,543	633,543	633,543	633,543	761,827	890,111	1,018,396	1,146,680	1,274,964	1,403,248	1,531,532	1,659,816	1,788,100	1,916,384

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)(B)															
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
17.40%	680,344	680,344	680,344	680,344	680,344	818,104	955,865	1,093,625	1,231,386	1,369,147	1,506,907	1,644,668	1,782,428	1,920,189	2,057,949	
17.41%	681,537	681,537	681,537	681,537	681,537	819,540	957,542	1,095,544	1,233,546	1,371,548	1,509,551	1,647,553	1,785,555	1,923,557	2,061,560	
17.42%	682,734	682,734	682,734	682,734	682,734	820,974	959,222	1,097,442	1,235,714	1,373,956	1,512,200	1,650,445	1,788,689	1,926,933	2,065,178	
17.43%	683,932	683,932	683,932	683,932	683,932	822,419	960,907	1,099,394	1,237,881	1,376,368	1,514,855	1,653,342	1,791,830	1,930,317	2,068,804	
17.44%	685,134	685,134	685,134	685,134	685,134	823,864	962,594	1,101,325	1,240,055	1,378,786	1,517,516	1,656,247	1,794,977	1,933,707	2,072,438	
17.45%	686,338	686,338	686,338	686,338	686,338	825,312	964,286	1,103,260	1,242,234	1,381,209	1,520,183	1,659,157	1,798,131	1,937,105	2,076,080	
17.46%	687,544	687,544	687,544	687,544	687,544	826,763	965,981	1,105,200	1,244,418	1,383,637	1,522,855	1,662,074	1,801,292	1,940,511	2,079,730	
17.47%	688,753	688,753	688,753	688,753	688,753	828,217	967,680	1,107,144	1,246,607	1,386,070	1,525,534	1,664,997	1,804,461	1,943,924	2,083,387	
17.48%	689,965	689,965	689,965	689,965	689,965	829,674	969,383	1,109,092	1,248,801	1,388,509	1,528,218	1,667,927	1,807,636	1,947,344	2,087,053	
17.49%	691,180	691,180	691,180	691,180	691,180	831,135	971,089	1,111,044	1,250,999	1,390,958	1,530,908	1,670,863	1,810,818	1,950,772	2,090,727	
17.50%	692,397	692,397	692,397	692,397	692,397	832,598	972,800	1,113,001	1,253,202	1,393,403	1,533,604	1,673,805	1,814,007	1,954,208	2,094,409	
17.51%	693,617	693,617	693,617	693,617	693,617	834,065	974,513	1,114,962	1,255,410	1,395,858	1,536,308	1,676,754	1,817,203	1,957,651	2,098,099	
17.52%	694,840	694,840	694,840	694,840	694,840	835,535	976,231	1,116,927	1,257,623	1,398,318	1,539,014	1,679,710	1,820,406	1,961,101	2,101,797	
17.53%	696,065	696,065	696,065	696,065	696,065	837,009	977,953	1,118,896	1,259,840	1,400,784	1,541,728	1,682,672	1,823,616	1,964,559	2,105,503	
17.54%	697,293	697,293	697,293	697,293	697,293	838,485	979,678	1,120,870	1,262,063	1,403,255	1,544,448	1,685,640	1,826,833	1,968,025	2,109,218	
17.55%	698,524	698,524	698,524	698,524	698,524	839,965	981,407	1,122,849	1,264,290	1,405,732	1,547,174	1,688,615	1,830,057	1,971,499	2,112,940	
17.56%	699,757	699,757	699,757	699,757	699,757	841,448	983,140	1,124,831	1,266,523	1,408,214	1,549,905	1,691,597	1,833,288	1,974,980	2,116,671	
17.57%	700,993	700,993	700,993	700,993	700,993	842,935	984,876	1,126,818	1,268,760	1,410,702	1,552,643	1,694,585	1,836,527	1,978,469	2,120,410	
17.58%	702,232	702,232	702,232	702,232	702,232	844,424	986,617	1,128,810	1,271,002	1,413,195	1,555,387	1,697,580	1,839,772	1,981,965	2,124,158	
17.59%	703,473	703,473	703,473	703,473	703,473	845,917	988,361	1,130,805	1,273,249	1,415,693	1,558,137	1,700,581	1,843,025	1,985,469	2,127,913	
17.60%	704,718	704,718	704,718	704,718	704,718	847,414	990,110	1,132,806	1,275,502	1,418,198	1,560,894	1,703,589	1,846,285	1,988,981	2,131,677	
17.61%	705,965	705,965	705,965	705,965	705,965	848,913	991,862	1,134,810	1,277,759	1,420,707	1,563,656	1,706,604	1,849,553	1,992,501	2,135,450	
17.62%	707,215	707,215	707,215	707,215	707,215	850,416	993,618	1,136,819	1,280,021	1,423,223	1,566,424	1,709,626	1,852,827	1,996,029	2,139,230	
17.63%	708,467	708,467	708,467	708,467	708,467	851,923	995,378	1,138,833	1,282,288	1,425,744	1,569,199	1,712,654	1,856,109	1,999,564	2,143,020	
17.64%	709,723	709,723	709,723	709,723	709,723	853,432	997,142	1,140,851	1,284,561	1,428,270	1,571,979	1,715,689	1,859,398	2,003,108	2,146,817	
17.65%	710,981	710,981	710,981	710,981	710,981	854,945	998,910	1,142,874	1,286,838	1,430,802	1,574,766	1,718,731	1,862,695	2,006,659	2,150,623	
17.66%	712,242	712,242	712,242	712,242	712,242	856,462	1,000,681	1,144,901	1,289,120	1,433,340	1,577,560	1,721,779	1,865,999	2,010,218	2,154,438	
17.67%	713,506	713,506	713,506	713,506	713,506	857,982	1,002,457	1,146,933	1,291,408	1,435,884	1,580,359	1,724,834	1,869,310	2,013,785	2,158,261	
17.68%	714,773	714,773	714,773	714,773	714,773	859,505	1,004,237	1,148,969	1,293,701	1,438,433	1,583,165	1,727,897	1,872,629	2,017,361	2,162,092	
17.69%	716,042	716,042	716,042	716,042	716,042	861,031	1,006,020	1,151,010	1,295,999	1,440,988	1,585,977	1,730,966	1,875,955	2,020,944	2,165,933	
17.70%	717,315	717,315	717,315	717,315	717,315	862,562	1,007,808	1,153,055	1,298,302	1,443,548	1,588,795	1,734,042	1,879,288	2,024,535	2,169,782	
17.71%	718,590	718,590	718,590	718,590	718,590	864,095	1,009,600	1,155,105	1,300,610	1,446,115	1,591,619	1,737,124	1,882,629	2,028,134	2,173,639	
17.72%	719,868	719,868	719,868	719,868	719,868	865,632	1,011,396	1,157,159	1,302,923	1,448,687	1,594,450	1,740,214	1,885,978	2,031,742	2,177,505	
17.73%	721,149	721,149	721,149	721,149	721,149	867,172	1,013,195	1,159,218	1,305,242	1,451,265	1,597,288	1,743,311	1,889,334	2,035,357	2,181,380	
17.74%	722,433	722,433	722,433	722,433	722,433	868,716	1,014,999	1,161,282	1,307,565	1,453,848	1,600,131	1,746,415	1,892,698	2,038,981	2,185,264	
17.75%	723,720	723,720	723,720	723,720	723,720	870,264	1,016,807	1,163,351	1,309,894	1,456,434	1,602,982	1,749,525	1,896,069	2,042,612	2,189,156	
17.76%	725,010	725,010	725,010	725,010	725,010	871,814	1,018,619	1,165,424	1,312,229	1,459,033	1,605,838	1,752,643	1,899,448	2,046,252	2,193,057	
17.77%	726,302	726,302	726,302	726,302	726,302	873,369	1,020,435	1,167,502	1,314,588	1,461,635	1,608,701	1,755,768	1,902,834	2,049,901	2,196,967	
17.78%	727,598	727,598	727,598	727,598	727,598	874,927	1,022,255	1,169,584	1,316,913	1,464,242	1,611,571	1,758,899	1,906,228	2,053,557	2,200,886	
17.79%	728,896	728,896	728,896	728,896	728,896	876,488	1,024,080	1,171,671	1,319,263	1,466,855	1,614,447	1,762,038	1,909,630	2,057,222	2,204,814	

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)(B)															
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
18.20%	784,790	784,790	784,790	784,790	784,790	943,699	1,102,609	1,261,518	1,420,428	1,579,337	1,738,247	1,897,156	2,056,066	2,214,975	2,373,885	
18.21%	786,221	786,221	786,221	786,221	786,221	944,146	1,104,620	1,263,529	1,422,438	1,581,347	1,740,256	1,899,165	2,058,074	2,216,983	2,375,892	
18.22%	787,652	787,652	787,652	787,652	787,652	944,685	1,106,636	1,265,545	1,424,453	1,583,362	1,742,271	1,901,180	2,060,089	2,219,000	2,377,909	
18.23%	789,094	789,094	789,094	789,094	789,094	945,224	1,108,651	1,267,563	1,426,471	1,585,380	1,744,289	1,903,198	2,062,107	2,221,016	2,380,925	
18.24%	790,536	790,536	790,536	790,536	790,536	945,763	1,110,666	1,270,578	1,430,486	1,589,395	1,748,304	1,907,213	2,066,122	2,225,031	2,384,940	
18.25%	791,981	791,981	791,981	791,981	791,981	946,302	1,112,681	1,272,593	1,432,501	1,591,410	1,750,319	1,909,228	2,068,137	2,227,046	2,386,949	
18.26%	793,429	793,429	793,429	793,429	793,429	946,841	1,114,696	1,274,606	1,434,516	1,593,425	1,752,334	1,911,243	2,070,152	2,229,051	2,388,958	
18.27%	794,881	794,881	794,881	794,881	794,881	947,380	1,116,711	1,276,621	1,436,531	1,595,440	1,754,353	1,913,262	2,072,171	2,231,080	2,400,018	
18.28%	796,337	796,337	796,337	796,337	796,337	947,919	1,118,726	1,278,636	1,438,546	1,597,455	1,756,362	1,915,271	2,074,180	2,233,089	2,402,018	
18.29%	797,796	797,796	797,796	797,796	797,796	948,458	1,120,741	1,280,651	1,440,561	1,599,470	1,758,371	1,917,280	2,076,189	2,235,108	2,404,018	
18.30%	799,258	799,258	799,258	799,258	799,258	950,000	1,122,756	1,282,666	1,442,576	1,601,480	1,760,389	1,919,298	2,078,207	2,237,117	2,406,018	
18.31%	800,724	800,724	800,724	800,724	800,724	950,539	1,124,771	1,284,681	1,444,591	1,603,495	1,762,404	1,921,303	2,080,212	2,239,126	2,408,018	
18.32%	802,194	802,194	802,194	802,194	802,194	951,078	1,126,786	1,286,696	1,446,606	1,605,509	1,764,419	1,923,312	2,082,221	2,241,131	2,410,018	
18.33%	803,667	803,667	803,667	803,667	803,667	951,617	1,128,801	1,288,711	1,448,621	1,607,524	1,766,433	1,925,321	2,084,230	2,243,140	2,412,018	
18.34%	805,144	805,144	805,144	805,144	805,144	952,156	1,130,816	1,290,726	1,450,636	1,609,539	1,768,448	1,927,330	2,086,239	2,245,149	2,414,018	
18.35%	806,624	806,624	806,624	806,624	806,624	952,695	1,132,831	1,292,741	1,452,651	1,611,554	1,770,462	1,929,339	2,088,248	2,247,158	2,416,018	
18.36%	808,108	808,108	808,108	808,108	808,108	953,234	1,134,846	1,294,756	1,454,666	1,613,569	1,772,476	1,931,348	2,090,257	2,249,167	2,418,018	
18.37%	809,595	809,595	809,595	809,595	809,595	953,773	1,136,861	1,296,771	1,456,681	1,615,584	1,774,490	1,933,357	2,092,266	2,251,176	2,420,018	
18.38%	811,086	811,086	811,086	811,086	811,086	954,312	1,138,876	1,298,786	1,458,696	1,617,599	1,776,504	1,935,366	2,094,275	2,253,185	2,422,018	
18.39%	812,581	812,581	812,581	812,581	812,581	954,851	1,140,891	1,300,801	1,460,711	1,619,613	1,778,518	1,937,375	2,096,284	2,255,194	2,424,018	
18.40%	814,079	814,079	814,079	814,079	814,079	955,390	1,142,906	1,302,816	1,462,726	1,621,628	1,780,532	1,939,384	2,098,293	2,257,203	2,426,018	
18.41%	815,581	815,581	815,581	815,581	815,581	955,929	1,144,921	1,304,831	1,464,741	1,623,643	1,782,546	1,941,393	2,100,302	2,259,212	2,428,018	
18.42%	817,087	817,087	817,087	817,087	817,087	956,468	1,146,936	1,306,846	1,466,756	1,625,658	1,784,560	1,943,402	2,102,311	2,261,221	2,430,018	
18.43%	818,596	818,596	818,596	818,596	818,596	957,007	1,148,951	1,308,861	1,468,771	1,627,673	1,786,574	1,945,411	2,104,320	2,263,230	2,432,018	
18.44%	820,109	820,109	820,109	820,109	820,109	957,546	1,150,966	1,310,876	1,470,786	1,629,688	1,788,588	1,947,420	2,106,329	2,265,239	2,434,018	
18.45%	821,626	821,626	821,626	821,626	821,626	958,085	1,152,981	1,312,891	1,472,801	1,631,703	1,790,602	1,949,429	2,108,338	2,267,248	2,436,018	
18.46%	823,146	823,146	823,146	823,146	823,146	958,624	1,154,996	1,314,906	1,474,816	1,633,718	1,792,616	1,951,438	2,110,347	2,269,257	2,438,018	
18.47%	824,670	824,670	824,670	824,670	824,670	959,163	1,157,011	1,316,921	1,476,831	1,635,733	1,794,630	1,953,447	2,112,356	2,271,266	2,440,018	
18.48%	826,198	826,198	826,198	826,198	826,198	959,702	1,159,026	1,318,936	1,478,846	1,637,748	1,796,644	1,955,456	2,114,365	2,273,275	2,442,018	
18.49%	827,730	827,730	827,730	827,730	827,730	960,241	1,161,041	1,320,951	1,480,861	1,639,763	1,798,658	1,957,465	2,116,374	2,275,284	2,444,018	
18.50%	829,265	829,265	829,265	829,265	829,265	960,780	1,163,056	1,322,966	1,482,876	1,641,778	1,800,672	1,959,474	2,118,383	2,277,293	2,446,018	
18.51%	830,804	830,804	830,804	830,804	830,804	961,319	1,165,071	1,324,981	1,484,891	1,643,793	1,802,686	1,961,483	2,120,392	2,279,302	2,448,018	
18.52%	832,347	832,347	832,347	832,347	832,347	961,858	1,167,086	1,326,996	1,486,906	1,645,808	1,804,690	1,963,492	2,122,401	2,281,311	2,450,018	
18.53%	833,894	833,894	833,894	833,894	833,894	962,397	1,169,101	1,329,011	1,488,921	1,647,823	1,806,704	1,965,501	2,124,410	2,283,320	2,452,018	
18.54%	835,445	835,445	835,445	835,445	835,445	962,936	1,171,116	1,331,026	1,490,936	1,649,838	1,808,718	1,967,510	2,126,419	2,285,329	2,454,018	
18.55%	836,999	836,999	836,999	836,999	836,999	963,475	1,173,131	1,333,041	1,492,951	1,651,853	1,810,722	1,969,519	2,128,428	2,287,338	2,456,018	
18.56%	838,558	838,558	838,558	838,558	838,558	964,014	1,175,146	1,335,056	1,494,966	1,653,868	1,812,736	1,971,528	2,130,437	2,289,347	2,458,018	
18.57%	840,120	840,120	840,120	840,120	840,120	964,553	1,177,161	1,337,071	1,496,981	1,655,883	1,814,750	1,973,537	2,132,446	2,291,356	2,460,018	
18.58%	841,686	841,686	841,686	841,686	841,686	965,092	1,179,176	1,339,086	1,498,996	1,657,898	1,816,764	1,975,546	2,134,455	2,293,365	2,462,018	
18.59%	843,256	843,256	843,256	843,256	843,256	965,631	1,181,191	1,341,101	1,501,011	1,659,913	1,818,778	1,977,555	2,136,464	2,295,374	2,464,018	

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)															
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
18.60%	844,830	844,830	844,830	844,830	844,830	1,015,897	1,186,964	1,358,030	1,529,097	1,700,164	1,871,231	2,042,297	2,213,364	2,384,431	2,555,498	
18.61%	846,408	846,408	846,408	846,408	846,408	1,017,794	1,189,180	1,360,567	1,531,953	1,703,339	1,874,726	2,046,112	2,217,498	2,388,884	2,560,271	
18.62%	847,990	847,990	847,990	847,990	847,990	1,019,696	1,191,403	1,363,109	1,534,816	1,706,523	1,878,229	2,049,936	2,221,642	2,393,349	2,565,055	
18.63%	849,575	849,575	849,575	849,575	849,575	1,021,603	1,193,631	1,365,658	1,537,686	1,709,714	1,881,741	2,053,769	2,225,797	2,397,825	2,569,852	
18.64%	851,165	851,165	851,165	851,165	851,165	1,023,515	1,195,864	1,368,214	1,540,563	1,712,913	1,885,263	2,057,612	2,229,962	2,402,311	2,574,661	
18.65%	852,759	852,759	852,759	852,759	852,759	1,025,431	1,198,103	1,370,776	1,543,448	1,716,120	1,888,793	2,061,465	2,233,937	2,406,810	2,579,482	
18.66%	854,357	854,357	854,357	854,357	854,357	1,027,352	1,200,348	1,373,344	1,546,340	1,719,336	1,892,332	2,065,327	2,238,323	2,411,319	2,584,315	
18.67%	855,958	855,958	855,958	855,958	855,958	1,029,279	1,202,599	1,375,919	1,549,239	1,722,559	1,895,879	2,069,199	2,242,520	2,415,840	2,589,160	
18.68%	857,564	857,564	857,564	857,564	857,564	1,031,210	1,204,855	1,378,500	1,552,145	1,725,791	1,899,436	2,073,081	2,246,727	2,420,372	2,594,017	
18.69%	859,174	859,174	859,174	859,174	859,174	1,033,145	1,207,117	1,381,088	1,555,059	1,729,030	1,903,002	2,076,973	2,250,944	2,424,916	2,598,887	
18.70%	860,788	860,788	860,788	860,788	860,788	1,035,086	1,209,384	1,383,682	1,557,980	1,732,278	1,906,576	2,080,875	2,255,173	2,429,471	2,603,769	
18.71%	862,406	862,406	862,406	862,406	862,406	1,037,032	1,211,657	1,386,283	1,560,909	1,735,534	1,910,160	2,084,786	2,259,412	2,434,037	2,608,663	
18.72%	864,028	864,028	864,028	864,028	864,028	1,038,982	1,213,936	1,388,891	1,563,845	1,738,799	1,913,753	2,088,707	2,263,661	2,438,615	2,613,570	
18.73%	865,654	865,654	865,654	865,654	865,654	1,040,938	1,216,221	1,391,505	1,566,788	1,742,072	1,917,355	2,092,638	2,267,922	2,443,205	2,618,489	
18.74%	867,285	867,285	867,285	867,285	867,285	1,042,898	1,218,512	1,394,125	1,569,739	1,745,352	1,920,966	2,096,580	2,272,193	2,447,807	2,623,420	
18.75%	868,919	868,919	868,919	868,919	868,919	1,044,864	1,220,808	1,396,753	1,572,697	1,748,642	1,924,586	2,100,531	2,276,475	2,452,420	2,628,364	
18.76%	870,558	870,558	870,558	870,558	870,558	1,046,834	1,223,110	1,399,387	1,575,663	1,751,939	1,928,216	2,104,492	2,280,768	2,457,045	2,633,321	
18.77%	872,201	872,201	872,201	872,201	872,201	1,048,810	1,225,419	1,402,028	1,578,637	1,755,246	1,931,854	2,108,463	2,285,072	2,461,681	2,638,290	
18.78%	873,848	873,848	873,848	873,848	873,848	1,050,790	1,227,733	1,404,675	1,581,618	1,758,560	1,935,503	2,112,445	2,289,387	2,466,330	2,643,272	
18.79%	875,499	875,499	875,499	875,499	875,499	1,052,776	1,230,053	1,407,329	1,584,606	1,761,883	1,939,160	2,116,437	2,293,713	2,470,990	2,648,267	
18.80%	877,154	877,154	877,154	877,154	877,154	1,054,766	1,232,378	1,409,990	1,587,602	1,765,214	1,942,827	2,120,439	2,298,051	2,475,663	2,653,275	
18.81%	878,814	878,814	878,814	878,814	878,814	1,056,762	1,234,710	1,412,658	1,590,606	1,768,555	1,946,503	2,124,451	2,302,399	2,480,347	2,658,295	
18.82%	880,478	880,478	880,478	880,478	880,478	1,058,763	1,237,048	1,415,333	1,593,618	1,771,903	1,950,188	2,128,473	2,306,758	2,485,043	2,663,328	
18.83%	882,146	882,146	882,146	882,146	882,146	1,060,769	1,239,392	1,418,015	1,596,637	1,775,260	1,953,883	2,132,506	2,311,129	2,489,752	2,668,374	
18.84%	883,819	883,819	883,819	883,819	883,819	1,062,780	1,241,742	1,420,703	1,599,665	1,778,626	1,957,588	2,136,549	2,315,511	2,494,472	2,673,434	
18.85%	885,496	885,496	885,496	885,496	885,496	1,064,797	1,244,088	1,423,399	1,602,700	1,782,001	1,961,302	2,140,603	2,319,904	2,499,205	2,678,506	
18.86%	887,177	887,177	887,177	887,177	887,177	1,066,818	1,246,460	1,426,101	1,605,742	1,785,384	1,965,025	2,144,667	2,324,308	2,503,950	2,683,591	
18.87%	888,862	888,862	888,862	888,862	888,862	1,068,845	1,248,828	1,428,810	1,608,793	1,788,776	1,968,758	2,148,741	2,328,724	2,508,707	2,688,689	
18.88%	890,552	890,552	890,552	890,552	890,552	1,070,877	1,251,202	1,431,527	1,611,862	1,792,176	1,972,501	2,152,826	2,333,151	2,513,476	2,693,801	
18.89%	892,246	892,246	892,246	892,246	892,246	1,072,914	1,253,582	1,434,250	1,614,918	1,795,586	1,976,254	2,156,922	2,337,590	2,518,258	2,698,926	
18.90%	893,945	893,945	893,945	893,945	893,945	1,074,957	1,255,969	1,436,980	1,617,992	1,799,004	1,980,016	2,161,028	2,342,040	2,523,052	2,704,064	
18.91%	895,648	895,648	895,648	895,648	895,648	1,077,005	1,258,361	1,439,718	1,621,075	1,802,431	1,983,788	2,165,145	2,346,502	2,527,888	2,709,215	
18.92%	897,355	897,355	897,355	897,355	897,355	1,079,058	1,260,760	1,442,463	1,624,165	1,805,868	1,987,570	2,169,272	2,350,975	2,532,677	2,714,380	
18.93%	899,067	899,067	899,067	899,067	899,067	1,081,116	1,263,165	1,445,214	1,627,264	1,809,313	1,991,362	2,173,411	2,355,460	2,537,509	2,719,568	
18.94%	900,784	900,784	900,784	900,784	900,784	1,083,180	1,265,577	1,447,973	1,630,370	1,812,767	1,995,163	2,177,560	2,359,957	2,542,750	2,724,750	
18.95%	902,504	902,504	902,504	902,504	902,504	1,085,249	1,267,994	1,450,740	1,633,485	1,816,230	1,998,975	2,181,720	2,364,465	2,547,210	2,729,955	
18.96%	904,230	904,230	904,230	904,230	904,230	1,087,324	1,270,418	1,453,513	1,636,607	1,819,702	2,002,796	2,185,891	2,368,985	2,552,079	2,735,174	
18.97%	905,959	905,959	905,959	905,959	905,959	1,089,404	1,272,849	1,456,294	1,639,738	1,823,183	2,006,628	2,190,072	2,373,517	2,556,962	2,740,406	
18.98%	907,694	907,694	907,694	907,694	907,694	1,091,490	1,275,286	1,459,081	1,642,877	1,826,673	2,010,469	2,194,265	2,378,061	2,561,857	2,745,653	
18.99%	909,433	909,433	909,433	909,433	909,433	1,093,581	1,277,729	1,461,877	1,646,025	1,830,173	2,014,321	2,198,469	2,382,617	2,566,765	2,750,913	

SCHEDULE 1

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
19.00%	911,176	911,176	911,176	911,176	911,176	1,095,677	1,280,178	1,464,679	1,649,180	1,833,681	2,018,182	2,202,683	2,387,184	2,571,685	2,756,186
19.01%	912,924	912,924	912,924	912,924	912,924	1,099,779	1,284,279	1,468,780	1,653,281	1,837,782	2,022,283	2,206,784	2,391,285	2,575,786	2,760,287
19.02%	914,677	914,677	914,677	914,677	914,677	1,099,887	1,288,387	1,472,888	1,657,389	1,841,890	2,026,391	2,210,892	2,395,393	2,579,894	2,764,395
19.03%	916,430	916,430	916,430	916,430	916,430	1,102,000	1,287,500	1,472,001	1,656,502	1,841,003	2,025,504	2,210,005	2,394,506	2,579,007	2,763,508
19.04%	918,183	918,183	918,183	918,183	918,183	1,104,111	1,290,041	1,475,963	1,660,464	1,844,965	2,029,466	2,213,967	2,403,468	2,587,969	2,772,470
19.05%	919,936	919,936	919,936	919,936	919,936	1,106,243	1,292,523	1,478,803	1,663,304	1,847,805	2,032,306	2,216,807	2,401,308	2,585,809	2,770,310
19.06%	921,734	921,734	921,734	921,734	921,734	1,108,375	1,295,012	1,481,650	1,666,151	1,850,652	2,035,153	2,219,654	2,404,155	2,588,656	2,773,157
19.07%	923,510	923,510	923,510	923,510	923,510	1,110,508	1,297,507	1,484,505	1,671,006	1,855,507	2,040,008	2,224,509	2,409,010	2,593,511	2,778,012
19.08%	925,291	925,291	925,291	925,291	925,291	1,112,650	1,300,008	1,487,367	1,674,726	1,860,185	2,045,686	2,230,187	2,414,688	2,599,189	2,783,690
19.09%	927,076	927,076	927,076	927,076	927,076	1,114,796	1,302,517	1,490,237	1,677,958	1,865,417	2,050,918	2,235,419	2,419,920	2,604,421	2,788,922
19.10%	928,866	928,866	928,866	928,866	928,866	1,116,949	1,305,032	1,493,115	1,681,198	1,869,657	2,057,118	2,241,619	2,426,120	2,610,621	2,795,122
19.11%	930,661	930,661	930,661	930,661	930,661	1,119,107	1,307,554	1,496,000	1,684,447	1,872,893	2,061,339	2,245,834	2,430,335	2,614,836	2,799,337
19.12%	932,461	932,461	932,461	932,461	932,461	1,121,272	1,310,082	1,498,893	1,687,704	1,876,151	2,065,596	2,250,097	2,434,598	2,619,099	2,803,600
19.13%	934,265	934,265	934,265	934,265	934,265	1,123,441	1,312,618	1,501,794	1,690,970	1,880,146	2,069,322	2,253,823	2,438,324	2,622,825	2,807,326
19.14%	936,075	936,075	936,075	936,075	936,075	1,125,617	1,315,160	1,504,702	1,694,245	1,883,787	2,073,330	2,257,831	2,442,332	2,626,833	2,811,334
19.15%	937,889	937,889	937,889	937,889	937,889	1,127,799	1,317,709	1,507,618	1,697,528	1,887,438	2,077,348	2,261,849	2,446,350	2,630,851	2,815,352
19.16%	939,708	939,708	939,708	939,708	939,708	1,129,986	1,320,264	1,510,543	1,700,821	1,891,099	2,081,377	2,265,878	2,450,379	2,634,880	2,819,381
19.17%	941,532	941,532	941,532	941,532	941,532	1,132,179	1,322,827	1,513,474	1,704,122	1,894,770	2,085,417	2,270,918	2,455,419	2,639,920	2,823,921
19.18%	943,360	943,360	943,360	943,360	943,360	1,134,378	1,325,396	1,516,414	1,707,432	1,898,450	2,089,468	2,274,969	2,459,470	2,643,971	2,828,472
19.19%	945,194	945,194	945,194	945,194	945,194	1,136,583	1,327,973	1,519,362	1,710,751	1,902,140	2,093,530	2,284,919	2,470,420	2,654,921	2,839,422
19.20%	947,033	947,033	947,033	947,033	947,033	1,138,794	1,330,556	1,522,318	1,714,079	1,905,841	2,097,602	2,289,364	2,481,125	2,672,626	2,858,127
19.21%	948,877	948,877	948,877	948,877	948,877	1,141,011	1,333,146	1,525,281	1,717,416	1,909,551	2,101,686	2,293,821	2,485,956	2,678,091	2,863,592
19.22%	950,725	950,725	950,725	950,725	950,725	1,143,234	1,335,744	1,528,253	1,720,762	1,913,271	2,105,780	2,298,289	2,490,799	2,683,308	2,868,809
19.23%	952,579	952,579	952,579	952,579	952,579	1,145,463	1,338,348	1,531,232	1,724,117	1,917,001	2,109,886	2,302,771	2,495,655	2,688,540	2,873,041
19.24%	954,438	954,438	954,438	954,438	954,438	1,147,698	1,340,959	1,534,220	1,727,481	1,920,742	2,114,003	2,307,264	2,500,525	2,693,785	2,887,046
19.25%	956,301	956,301	956,301	956,301	956,301	1,149,940	1,343,578	1,537,216	1,730,854	1,924,493	2,118,131	2,311,769	2,505,407	2,698,668	2,891,929
19.26%	958,170	958,170	958,170	958,170	958,170	1,152,187	1,346,203	1,540,220	1,734,237	1,928,253	2,122,270	2,316,287	2,510,303	2,703,564	2,896,825
19.27%	960,044	960,044	960,044	960,044	960,044	1,154,440	1,348,836	1,543,232	1,737,628	1,932,025	2,126,421	2,320,817	2,514,833	2,708,094	2,901,355
19.28%	961,923	961,923	961,923	961,923	961,923	1,156,700	1,351,476	1,546,253	1,741,029	1,935,806	2,130,582	2,325,359	2,519,365	2,712,626	2,905,886
19.29%	963,807	963,807	963,807	963,807	963,807	1,158,965	1,354,123	1,549,281	1,744,439	1,939,598	2,134,756	2,329,914	2,523,920	2,717,181	2,910,442
19.30%	965,696	965,696	965,696	965,696	965,696	1,161,237	1,356,778	1,552,318	1,747,859	1,943,400	2,138,940	2,334,481	2,528,487	2,721,748	2,915,009
19.31%	967,591	967,591	967,591	967,591	967,591	1,163,515	1,359,439	1,555,364	1,751,288	1,947,212	2,143,136	2,339,060	2,533,066	2,726,327	2,919,588
19.32%	969,491	969,491	969,491	969,491	969,491	1,165,799	1,362,108	1,558,417	1,754,726	1,951,035	2,147,344	2,342,653	2,536,659	2,729,920	2,922,881
19.33%	971,395	971,395	971,395	971,395	971,395	1,168,090	1,364,785	1,561,479	1,758,174	1,954,868	2,151,563	2,346,257	2,540,263	2,733,524	2,926,585
19.34%	973,305	973,305	973,305	973,305	973,305	1,170,387	1,367,468	1,564,549	1,761,631	1,958,712	2,155,794	2,350,000	2,544,006	2,737,267	2,930,538
19.35%	975,221	975,221	975,221	975,221	975,221	1,172,690	1,370,159	1,567,628	1,765,088	1,962,567	2,160,036	2,354,242	2,548,248	2,741,509	2,934,549
19.36%	977,141	977,141	977,141	977,141	977,141	1,174,999	1,372,858	1,570,716	1,768,574	1,966,432	2,164,290	2,358,286	2,552,292	2,745,553	2,938,600
19.37%	979,067	979,067	979,067	979,067	979,067	1,177,315	1,375,563	1,573,811	1,772,060	1,970,308	2,168,556	2,362,552	2,556,558	2,749,809	2,942,660
19.38%	980,999	980,999	980,999	980,999	980,999	1,179,638	1,378,277	1,576,916	1,775,555	1,974,194	2,172,833	2,366,830	2,560,836	2,754,837	2,948,841
19.39%	982,935	982,935	982,935	982,935	982,935	1,181,966	1,380,999	1,580,029	1,779,060	1,978,091	2,175,123	2,369,114	2,563,120	2,757,121	2,950,892

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
19.40%	984,877	984,877	984,877	984,877	984,877	1,184,302	1,383,726	1,583,151	1,782,575	1,981,999	2,181,424	2,380,848	2,580,273	2,779,697	2,979,122
19.41%	986,824	986,824	986,824	986,824	986,824	1,186,843	1,386,267	1,585,691	1,785,115	1,984,539	2,183,963	2,383,387	2,582,811	2,782,235	2,981,659
19.42%	988,777	988,777	988,777	988,777	988,777	1,188,991	1,389,206	1,589,620	1,789,034	1,988,448	2,187,862	2,387,276	2,586,690	2,786,104	2,985,518
19.43%	990,735	990,735	990,735	990,735	990,735	1,191,346	1,391,957	1,592,471	1,792,985	1,992,399	2,191,813	2,391,227	2,590,641	2,790,055	2,989,469
19.44%	992,699	992,699	992,699	992,699	992,699	1,193,707	1,394,716	1,595,724	1,796,732	1,997,141	2,196,549	2,395,957	2,595,365	2,794,773	2,994,181
19.45%	994,668	994,668	994,668	994,668	994,668	1,196,075	1,397,482	1,598,489	1,800,296	2,001,703	2,203,110	2,402,517	2,601,924	2,801,331	3,000,738
19.46%	996,643	996,643	996,643	996,643	996,643	1,198,450	1,400,257	1,602,063	1,803,870	2,005,677	2,207,484	2,409,291	2,611,098	2,812,905	3,014,711
19.47%	998,623	998,623	998,623	998,623	998,623	1,200,831	1,403,039	1,605,246	1,807,454	2,009,662	2,211,870	2,414,078	2,616,286	2,818,493	3,020,701
19.48%	1,000,609	1,000,609	1,000,609	1,000,609	1,000,609	1,203,219	1,405,828	1,608,438	1,811,048	2,013,658	2,216,268	2,418,878	2,621,488	2,824,098	3,026,708
19.49%	1,002,600	1,002,600	1,002,600	1,002,600	1,002,600	1,205,613	1,408,626	1,611,639	1,814,652	2,017,665	2,220,679	2,423,692	2,626,705	2,829,718	3,032,731
19.50%	1,004,597	1,004,597	1,004,597	1,004,597	1,004,597	1,208,014	1,411,432	1,614,849	1,819,267	2,021,684	2,225,102	2,428,519	2,631,936	2,835,354	3,038,771
19.51%	1,006,599	1,006,599	1,006,599	1,006,599	1,006,599	1,210,422	1,414,245	1,618,068	1,821,891	2,025,714	2,229,537	2,433,360	2,637,183	2,841,006	3,044,829
19.52%	1,008,607	1,008,607	1,008,607	1,008,607	1,008,607	1,212,833	1,417,067	1,621,296	1,825,226	2,029,585	2,233,985	2,438,214	2,642,444	2,846,673	3,050,903
19.53%	1,010,621	1,010,621	1,010,621	1,010,621	1,010,621	1,215,259	1,419,896	1,624,533	1,829,171	2,033,808	2,238,445	2,443,082	2,647,720	2,852,357	3,058,994
19.54%	1,012,641	1,012,641	1,012,641	1,012,641	1,012,641	1,217,687	1,422,733	1,627,779	1,832,826	2,037,872	2,242,918	2,447,964	2,653,011	2,858,057	3,063,103
19.55%	1,014,666	1,014,666	1,014,666	1,014,666	1,014,666	1,220,122	1,425,579	1,631,035	1,836,491	2,041,948	2,247,404	2,452,860	2,658,316	2,863,773	3,069,229
19.56%	1,016,697	1,016,697	1,016,697	1,016,697	1,016,697	1,222,565	1,428,432	1,634,300	1,840,167	2,046,035	2,251,902	2,457,770	2,663,637	2,869,505	3,075,372
19.57%	1,018,734	1,018,734	1,018,734	1,018,734	1,018,734	1,225,014	1,431,294	1,637,574	1,843,854	2,050,133	2,256,413	2,462,693	2,668,973	2,875,253	3,081,533
19.58%	1,020,776	1,020,776	1,020,776	1,020,776	1,020,776	1,227,470	1,434,163	1,640,857	1,847,550	2,054,244	2,260,937	2,467,631	2,674,324	2,881,018	3,087,712
19.59%	1,022,824	1,022,824	1,022,824	1,022,824	1,022,824	1,229,933	1,437,041	1,644,149	1,851,258	2,058,366	2,265,474	2,472,583	2,679,691	2,886,799	3,093,907
19.60%	1,024,879	1,024,879	1,024,879	1,024,879	1,024,879	1,232,403	1,439,927	1,647,451	1,854,976	2,062,500	2,270,024	2,477,548	2,685,073	2,892,597	3,100,121
19.61%	1,026,939	1,026,939	1,026,939	1,026,939	1,026,939	1,234,880	1,442,821	1,650,763	1,858,704	2,066,645	2,274,587	2,482,528	2,690,470	2,898,411	3,106,352
19.62%	1,029,005	1,029,005	1,029,005	1,029,005	1,029,005	1,237,364	1,445,724	1,654,084	1,862,443	2,070,803	2,279,163	2,487,522	2,695,882	2,904,242	3,112,601
19.63%	1,031,076	1,031,076	1,031,076	1,031,076	1,031,076	1,239,856	1,448,635	1,657,414	1,866,193	2,074,972	2,283,752	2,492,551	2,701,310	2,910,089	3,118,868
19.64%	1,033,154	1,033,154	1,033,154	1,033,154	1,033,154	1,242,354	1,451,554	1,660,754	1,869,954	2,079,154	2,288,354	2,497,554	2,706,754	2,915,953	3,125,153
19.65%	1,035,238	1,035,238	1,035,238	1,035,238	1,035,238	1,244,860	1,454,482	1,664,103	1,873,725	2,083,347	2,292,969	2,502,591	2,712,213	2,921,835	3,131,456
19.66%	1,037,328	1,037,328	1,037,328	1,037,328	1,037,328	1,247,373	1,457,418	1,667,463	1,877,508	2,087,553	2,297,598	2,507,643	2,717,687	2,927,732	3,137,777
19.67%	1,039,423	1,039,423	1,039,423	1,039,423	1,039,423	1,249,893	1,460,362	1,670,831	1,881,301	2,091,770	2,302,239	2,512,709	2,723,178	2,933,647	3,144,117
19.68%	1,041,525	1,041,525	1,041,525	1,041,525	1,041,525	1,252,420	1,463,315	1,674,210	1,885,105	2,096,000	2,306,895	2,517,790	2,728,685	2,939,579	3,150,474
19.69%	1,043,633	1,043,633	1,043,633	1,043,633	1,043,633	1,254,955	1,466,276	1,677,598	1,889,920	2,100,242	2,311,563	2,522,885	2,734,207	2,945,529	3,156,950
19.70%	1,045,747	1,045,747	1,045,747	1,045,747	1,045,747	1,257,497	1,469,246	1,680,996	1,892,746	2,104,496	2,316,246	2,527,995	2,739,745	2,951,495	3,163,245
19.71%	1,047,867	1,047,867	1,047,867	1,047,867	1,047,867	1,260,046	1,472,225	1,684,404	1,896,583	2,108,762	2,320,941	2,533,120	2,745,299	2,957,479	3,169,658
19.72%	1,049,993	1,049,993	1,049,993	1,049,993	1,049,993	1,262,603	1,475,214	1,687,822	1,900,432	2,113,041	2,325,651	2,538,260	2,750,870	2,963,480	3,176,089
19.73%	1,052,126	1,052,126	1,052,126	1,052,126	1,052,126	1,265,167	1,478,208	1,691,250	1,904,291	2,117,332	2,330,374	2,543,415	2,756,457	2,969,498	3,182,539
19.74%	1,054,264	1,054,264	1,054,264	1,054,264	1,054,264	1,267,739	1,481,213	1,694,687	1,908,162	2,121,636	2,335,111	2,548,585	2,762,059	2,975,534	3,189,008
19.75%	1,056,409	1,056,409	1,056,409	1,056,409	1,056,409	1,270,318	1,484,226	1,698,135	1,916,044	2,125,952	2,339,861	2,553,770	2,767,679	2,981,567	3,195,496
19.76%	1,058,560	1,058,560	1,058,560	1,058,560	1,058,560	1,272,904	1,487,249	1,701,593	1,919,937	2,130,281	2,344,626	2,559,970	2,773,314	2,987,658	3,202,003
19.77%	1,060,717	1,060,717	1,060,717	1,060,717	1,060,717	1,275,498	1,490,280	1,705,061	1,919,842	2,134,623	2,349,404	2,564,185	2,778,966	2,993,747	3,208,528
19.78%	1,062,881	1,062,881	1,062,881	1,062,881	1,062,881	1,278,100	1,493,319	1,708,539	1,923,758	2,138,977	2,354,196	2,569,416	2,784,635	2,999,854	3,215,073
19.79%	1,065,051	1,065,051	1,065,051	1,065,051	1,065,051	1,280,710	1,496,388	1,712,027	1,927,686	2,143,344	2,359,003	2,574,661	2,790,320	3,005,979	3,221,637

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
19.80%	1,067,227	1,067,227	1,067,227	1,067,227	1,067,227	1,283,327	1,499,426	1,715,525	1,931,625	2,147,724	2,363,823	2,579,923	2,796,022	3,012,121	3,228,220
19.81%	1,069,410	1,069,410	1,069,410	1,069,410	1,069,410	1,285,951	1,502,050	1,718,149	1,934,248	2,150,347	2,366,446	2,582,545	2,798,644	3,014,743	3,230,842
19.82%	1,071,599	1,071,599	1,071,599	1,071,599	1,071,599	1,288,584	1,504,683	1,720,782	1,936,881	2,152,980	2,369,079	2,585,178	2,801,277	3,017,376	3,233,475
19.83%	1,073,795	1,073,795	1,073,795	1,073,795	1,073,795	1,291,224	1,506,327	1,722,526	1,938,625	2,154,724	2,370,823	2,586,922	2,803,021	3,019,120	3,235,219
19.84%	1,075,997	1,075,997	1,075,997	1,075,997	1,075,997	1,293,872	1,511,747	1,724,946	1,941,045	2,156,965	2,373,064	2,589,163	2,805,260	3,021,359	3,237,467
19.85%	1,078,206	1,078,206	1,078,206	1,078,206	1,078,206	1,296,528	1,514,850	1,730,049	1,947,148	2,160,007	2,377,106	2,592,205	2,807,359	3,023,456	3,239,616
19.86%	1,080,421	1,080,421	1,080,421	1,080,421	1,080,421	1,299,182	1,517,963	1,733,148	1,950,247	2,162,346	2,380,445	2,595,544	2,810,643	3,025,745	3,241,765
19.87%	1,082,643	1,082,643	1,082,643	1,082,643	1,082,643	1,301,863	1,521,084	1,736,247	1,953,346	2,164,645	2,382,744	2,597,843	2,812,942	3,028,044	3,243,914
19.88%	1,084,871	1,084,871	1,084,871	1,084,871	1,084,871	1,304,543	1,524,215	1,739,346	1,956,445	2,166,944	2,385,043	2,600,142	2,815,241	3,030,343	3,246,063
19.89%	1,087,106	1,087,106	1,087,106	1,087,106	1,087,106	1,307,230	1,527,355	1,742,479	1,960,544	2,169,243	2,387,342	2,602,441	2,817,540	3,032,642	3,248,212
19.90%	1,089,348	1,089,348	1,089,348	1,089,348	1,089,348	1,309,926	1,530,504	1,745,623	1,963,643	2,171,542	2,390,441	2,604,540	2,819,839	3,034,941	3,250,361
19.91%	1,091,596	1,091,596	1,091,596	1,091,596	1,091,596	1,312,629	1,533,663	1,748,767	1,966,742	2,173,841	2,392,740	2,606,839	2,822,138	3,037,240	3,252,510
19.92%	1,093,851	1,093,851	1,093,851	1,093,851	1,093,851	1,315,341	1,536,831	1,751,911	1,970,841	2,176,140	2,395,039	2,609,138	2,824,437	3,039,539	3,254,659
19.93%	1,096,113	1,096,113	1,096,113	1,096,113	1,096,113	1,318,061	1,540,009	1,755,065	1,974,921	2,178,439	2,397,338	2,611,437	2,826,736	3,041,838	3,256,808
19.94%	1,098,381	1,098,381	1,098,381	1,098,381	1,098,381	1,320,789	1,543,196	1,758,219	1,978,001	2,180,738	2,400,637	2,613,736	2,829,035	3,044,137	3,259,057
19.95%	1,100,656	1,100,656	1,100,656	1,100,656	1,100,656	1,323,525	1,546,393	1,761,473	1,981,081	2,183,037	2,402,936	2,616,035	2,831,334	3,046,436	3,261,306
19.96%	1,102,939	1,102,939	1,102,939	1,102,939	1,102,939	1,326,269	1,549,590	1,764,727	1,984,161	2,185,336	2,405,235	2,618,334	2,833,633	3,048,735	3,263,555
19.97%	1,105,228	1,105,228	1,105,228	1,105,228	1,105,228	1,329,022	1,552,815	1,768,981	1,987,241	2,187,635	2,407,534	2,620,633	2,835,932	3,051,034	3,265,804
19.98%	1,107,524	1,107,524	1,107,524	1,107,524	1,107,524	1,331,782	1,556,041	1,772,235	1,990,321	2,190,934	2,410,833	2,622,932	2,838,231	3,053,333	3,268,053
19.99%	1,109,826	1,109,826	1,109,826	1,109,826	1,109,826	1,334,552	1,559,277	1,775,489	1,993,401	2,193,233	2,413,132	2,625,231	2,840,530	3,055,632	3,270,302
20.00%	1,112,136	1,112,136	1,112,136	1,112,136	1,112,136	1,337,329	1,562,522	1,778,747	1,996,481	2,195,532	2,415,431	2,627,530	2,842,829	3,057,931	3,272,551
20.01%	1,114,453	1,114,453	1,114,453	1,114,453	1,114,453	1,340,115	1,565,777	1,782,005	1,999,561	2,197,831	2,417,730	2,629,829	2,845,128	3,060,230	3,274,800
20.02%	1,116,777	1,116,777	1,116,777	1,116,777	1,116,777	1,342,909	1,569,042	1,785,263	2,002,641	2,200,029	2,420,029	2,632,128	2,847,427	3,062,529	3,277,049
20.03%	1,119,108	1,119,108	1,119,108	1,119,108	1,119,108	1,345,712	1,572,317	1,788,525	2,005,721	2,202,328	2,422,328	2,634,427	2,849,726	3,064,828	3,279,298
20.04%	1,121,446	1,121,446	1,121,446	1,121,446	1,121,446	1,348,524	1,575,601	1,791,787	2,008,801	2,204,627	2,424,627	2,636,726	2,852,025	3,067,127	3,281,547
20.05%	1,123,791	1,123,791	1,123,791	1,123,791	1,123,791	1,351,344	1,578,896	1,795,048	2,011,881	2,206,924	2,426,924	2,639,023	2,854,324	3,069,426	3,283,796
20.06%	1,126,143	1,126,143	1,126,143	1,126,143	1,126,143	1,354,172	1,582,201	1,798,310	2,015,074	2,209,221	2,429,221	2,641,320	2,856,623	3,071,725	3,286,045
20.07%	1,128,503	1,128,503	1,128,503	1,128,503	1,128,503	1,357,009	1,585,516	1,801,571	2,018,164	2,211,518	2,431,518	2,643,619	2,858,922	3,074,024	3,288,294
20.08%	1,130,869	1,130,869	1,130,869	1,130,869	1,130,869	1,359,855	1,588,841	1,804,832	2,021,257	2,213,815	2,433,815	2,645,918	2,861,221	3,076,323	3,290,543
20.09%	1,133,243	1,133,243	1,133,243	1,133,243	1,133,243	1,362,710	1,592,176	1,808,093	2,024,350	2,216,114	2,436,114	2,648,213	2,863,520	3,078,622	3,292,792
20.10%	1,135,624	1,135,624	1,135,624	1,135,624	1,135,624	1,365,573	1,595,522	1,811,354	2,027,443	2,218,413	2,438,413	2,650,512	2,865,819	3,080,921	3,295,041
20.11%	1,138,013	1,138,013	1,138,013	1,138,013	1,138,013	1,368,445	1,598,878	1,814,605	2,030,536	2,220,712	2,440,712	2,652,811	2,868,118	3,083,220	3,297,290
20.12%	1,140,409	1,140,409	1,140,409	1,140,409	1,140,409	1,371,326	1,602,244	1,817,856	2,033,629	2,223,011	2,443,011	2,655,110	2,870,417	3,085,519	3,299,539
20.13%	1,142,812	1,142,812	1,142,812	1,142,812	1,142,812	1,374,216	1,605,620	1,821,107	2,036,722	2,225,310	2,445,310	2,657,409	2,872,716	3,087,788	3,301,788
20.14%	1,145,223	1,145,223	1,145,223	1,145,223	1,145,223	1,377,115	1,609,007	1,824,358	2,039,815	2,227,609	2,447,609	2,659,708	2,875,015	3,090,087	3,304,037
20.15%	1,147,641	1,147,641	1,147,641	1,147,641	1,147,641	1,380,023	1,612,405	1,827,609	2,042,908	2,229,908	2,449,908	2,662,007	2,877,314	3,092,386	3,306,286
20.16%	1,150,067	1,150,067	1,150,067	1,150,067	1,150,067	1,382,940	1,615,813	1,830,860	2,046,001	2,232,201	2,452,201	2,664,306	2,879,613	3,094,635	3,308,535
20.17%	1,152,500	1,152,500	1,152,500	1,152,500	1,152,500	1,385,865	1,619,231	1,834,111	2,049,094	2,234,500	2,454,500	2,666,605	2,881,912	3,096,884	3,310,784
20.18%	1,154,940	1,154,940	1,154,940	1,154,940	1,154,940	1,388,800	1,622,660	1,837,362	2,052,187	2,236,799	2,456,799	2,668,904	2,884,211	3,100,033	3,313,033
20.19%	1,157,389	1,157,389	1,157,389	1,157,389	1,157,389	1,391,744	1,626,100	1,840,613	2,055,280	2,239,098	2,459,098	2,671,203	2,886,510	3,102,282	3,315,282

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)															
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)															
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
20.20%	1,159,845	1,159,845	1,159,845	1,159,845	1,159,845	1,394,698	1,629,551	1,864,404	2,099,257	2,334,110	2,569,963	2,803,816	3,038,669	3,273,522	3,508,375	
20.21%	1,162,308	1,162,308	1,162,308	1,162,308	1,162,308	1,400,660	1,635,012	1,869,364	2,103,716	2,338,068	2,572,420	2,806,772	3,041,123	3,275,475	3,515,827	
20.22%	1,164,780	1,164,780	1,164,780	1,164,780	1,164,780	1,403,632	1,638,484	1,872,836	2,107,188	2,341,540	2,575,892	2,810,244	3,044,596	3,278,948	3,523,300	
20.23%	1,167,259	1,167,259	1,167,259	1,167,259	1,167,259	1,406,613	1,641,465	1,875,817	2,110,170	2,344,521	2,578,873	2,813,225	3,047,577	3,281,929	3,526,281	
20.24%	1,169,745	1,169,745	1,169,745	1,169,745	1,169,745	1,409,603	1,644,451	1,879,803	2,113,163	2,347,511	2,581,863	2,816,215	3,050,529	3,285,881	3,530,633	
20.25%	1,172,240	1,172,240	1,172,240	1,172,240	1,172,240	1,412,593	1,647,441	1,884,793	2,116,153	2,350,501	2,584,853	2,819,205	3,053,521	3,288,873	3,533,925	
20.26%	1,174,743	1,174,743	1,174,743	1,174,743	1,174,743	1,415,583	1,650,433	1,888,245	2,119,143	2,353,491	2,587,845	2,822,197	3,056,515	3,291,825	3,537,019	
20.27%	1,177,253	1,177,253	1,177,253	1,177,253	1,177,253	1,418,575	1,653,425	1,891,797	2,122,133	2,356,483	2,590,837	2,825,191	3,059,509	3,294,817	3,540,113	
20.28%	1,179,771	1,179,771	1,179,771	1,179,771	1,179,771	1,421,567	1,656,417	1,895,249	2,125,123	2,359,475	2,593,829	2,828,185	3,062,501	3,297,709	3,543,207	
20.29%	1,182,297	1,182,297	1,182,297	1,182,297	1,182,297	1,424,559	1,659,409	1,898,703	2,128,113	2,362,467	2,597,271	2,831,173	3,065,493	3,300,601	3,546,301	
20.30%	1,184,832	1,184,832	1,184,832	1,184,832	1,184,832	1,427,551	1,662,401	1,902,157	2,131,103	2,365,459	2,600,715	2,834,167	3,068,485	3,303,693	3,549,393	
20.31%	1,187,374	1,187,374	1,187,374	1,187,374	1,187,374	1,430,543	1,665,393	1,905,601	2,134,093	2,368,451	2,603,707	2,837,159	3,071,477	3,306,685	3,552,485	
20.32%	1,189,924	1,189,924	1,189,924	1,189,924	1,189,924	1,433,535	1,668,385	1,909,145	2,137,083	2,371,443	2,606,699	2,840,151	3,074,469	3,309,677	3,555,577	
20.33%	1,192,483	1,192,483	1,192,483	1,192,483	1,192,483	1,436,527	1,671,377	1,912,689	2,140,073	2,374,391	2,609,691	2,843,143	3,077,461	3,312,669	3,558,669	
20.34%	1,195,050	1,195,050	1,195,050	1,195,050	1,195,050	1,439,519	1,674,369	1,916,233	2,143,061	2,377,339	2,612,683	2,846,135	3,080,453	3,315,661	3,561,761	
20.35%	1,197,624	1,197,624	1,197,624	1,197,624	1,197,624	1,442,511	1,677,361	1,920,785	2,146,049	2,380,287	2,615,675	2,849,127	3,083,445	3,318,653	3,564,853	
20.36%	1,200,207	1,200,207	1,200,207	1,200,207	1,200,207	1,445,503	1,680,353	1,924,339	2,149,037	2,383,235	2,618,667	2,852,119	3,086,437	3,321,645	3,567,945	
20.37%	1,202,799	1,202,799	1,202,799	1,202,799	1,202,799	1,448,495	1,683,345	1,928,393	2,152,025	2,386,183	2,621,659	2,855,111	3,089,429	3,324,637	3,571,037	
20.38%	1,205,398	1,205,398	1,205,398	1,205,398	1,205,398	1,451,487	1,686,337	1,932,447	2,155,013	2,389,131	2,624,651	2,858,103	3,092,421	3,327,629	3,574,129	
20.39%	1,208,006	1,208,006	1,208,006	1,208,006	1,208,006	1,454,479	1,689,329	1,936,501	2,158,001	2,392,079	2,627,643	2,861,095	3,095,413	3,330,621	3,577,221	
20.40%	1,210,623	1,210,623	1,210,623	1,210,623	1,210,623	1,457,471	1,692,321	1,940,555	2,160,989	2,395,027	2,630,635	2,864,087	3,098,405	3,333,613	3,580,313	
20.41%	1,213,247	1,213,247	1,213,247	1,213,247	1,213,247	1,460,463	1,695,313	1,944,609	2,163,977	2,397,975	2,633,627	2,867,079	3,101,397	3,336,605	3,583,405	
20.42%	1,215,881	1,215,881	1,215,881	1,215,881	1,215,881	1,463,455	1,698,305	1,948,663	2,166,965	2,400,923	2,636,619	2,870,071	3,104,389	3,339,597	3,586,497	
20.43%	1,218,523	1,218,523	1,218,523	1,218,523	1,218,523	1,466,447	1,701,297	1,952,717	2,170,953	2,403,871	2,639,611	2,873,063	3,107,381	3,342,589	3,589,589	
20.44%	1,221,173	1,221,173	1,221,173	1,221,173	1,221,173	1,469,439	1,704,289	1,956,771	2,173,941	2,406,819	2,642,603	2,876,055	3,110,373	3,345,581	3,592,681	
20.45%	1,223,832	1,223,832	1,223,832	1,223,832	1,223,832	1,472,431	1,707,281	1,960,825	2,176,929	2,409,767	2,645,595	2,879,047	3,113,365	3,348,573	3,595,773	
20.46%	1,226,499	1,226,499	1,226,499	1,226,499	1,226,499	1,475,423	1,710,273	1,964,879	2,180,917	2,412,715	2,648,587	2,882,039	3,116,357	3,351,565	3,598,865	
20.47%	1,229,176	1,229,176	1,229,176	1,229,176	1,229,176	1,478,415	1,713,265	1,968,933	2,183,905	2,415,663	2,651,579	2,885,031	3,119,349	3,354,557	3,601,957	
20.48%	1,231,861	1,231,861	1,231,861	1,231,861	1,231,861	1,481,407	1,716,257	1,972,987	2,186,893	2,418,555	2,654,571	2,888,023	3,122,341	3,357,549	3,605,049	
20.49%	1,234,554	1,234,554	1,234,554	1,234,554	1,234,554	1,484,399	1,719,249	1,977,041	2,189,881	2,421,447	2,657,563	2,891,015	3,125,333	3,360,541	3,608,141	
20.50%	1,237,257	1,237,257	1,237,257	1,237,257	1,237,257	1,487,391	1,722,241	1,981,095	2,192,869	2,424,389	2,660,555	2,894,007	3,128,325	3,363,533	3,611,233	
20.51%	1,239,968	1,239,968	1,239,968	1,239,968	1,239,968	1,490,383	1,725,233	1,985,149	2,195,857	2,427,331	2,663,547	2,897,001	3,131,317	3,366,525	3,614,325	
20.52%	1,242,689	1,242,689	1,242,689	1,242,689	1,242,689	1,493,375	1,728,225	1,989,203	2,198,845	2,430,273	2,666,539	2,900,003	3,134,309	3,369,517	3,617,417	
20.53%	1,245,418	1,245,418	1,245,418	1,245,418	1,245,418	1,496,367	1,731,217	1,993,257	2,201,833	2,433,215	2,669,531	2,903,005	3,137,301	3,372,509	3,620,509	
20.54%	1,248,156	1,248,156	1,248,156	1,248,156	1,248,156	1,499,359	1,734,209	1,997,311	2,204,821	2,436,157	2,672,523	2,906,007	3,140,293	3,375,501	3,623,601	
20.55%	1,250,903	1,250,903	1,250,903	1,250,903	1,250,903	1,502,351	1,737,201	2,001,365	2,207,809	2,439,101	2,675,515	2,909,009	3,143,285	3,378,493	3,626,693	
20.56%	1,253,660	1,253,660	1,253,660	1,253,660	1,253,660	1,505,343	1,740,193	2,005,419	2,210,797	2,442,043	2,678,507	2,912,011	3,146,277	3,381,485	3,629,785	
20.57%	1,256,425	1,256,425	1,256,425	1,256,425	1,256,425	1,508,335	1,743,185	2,009,473	2,213,785	2,444,985	2,681,499	2,915,013	3,149,269	3,384,477	3,632,877	
20.58%	1,259,200	1,259,200	1,259,200	1,259,200	1,259,200	1,511,327	1,746,177	2,013,527	2,216,773	2,447,927	2,684,491	2,918,015	3,152,261	3,387,469	3,635,969	
20.59%	1,261,983	1,261,983	1,261,983	1,261,983	1,261,983	1,514,319	1,749,169	2,017,581	2,219,761	2,450,869	2,687,483	2,921,017	3,155,253	3,390,461	3,639,061	

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
20.60%	1,264,776	1,264,776	1,264,776	1,264,776	1,264,776	1,520,877	1,776,977	2,033,078	2,289,178	2,545,278	2,801,379	3,057,479	3,313,579	3,569,680	3,825,780
20.61%	1,267,579	1,267,579	1,267,579	1,267,579	1,267,579	1,524,247	1,780,347	2,036,448	2,292,548	2,548,648	2,804,749	3,060,849	3,316,949	3,573,049	3,829,149
20.62%	1,270,381	1,270,381	1,270,381	1,270,381	1,270,381	1,527,650	1,783,750	2,039,850	2,295,950	2,552,050	2,808,150	3,064,250	3,320,350	3,576,450	3,832,550
20.63%	1,273,212	1,273,212	1,273,212	1,273,212	1,273,212	1,531,020	1,787,120	2,043,220	2,300,320	2,556,420	2,812,520	3,068,620	3,324,720	3,580,820	3,836,920
20.64%	1,276,042	1,276,042	1,276,042	1,276,042	1,276,042	1,534,391	1,790,491	2,046,591	2,303,691	2,559,791	2,815,891	3,071,991	3,328,091	3,584,191	3,840,291
20.65%	1,278,882	1,278,882	1,278,882	1,278,882	1,278,882	1,537,762	1,793,862	2,049,962	2,307,062	2,562,162	2,818,262	3,075,362	3,331,462	3,587,562	3,843,662
20.66%	1,281,732	1,281,732	1,281,732	1,281,732	1,281,732	1,541,132	1,797,232	2,053,332	2,310,432	2,565,532	2,821,632	3,078,732	3,334,832	3,590,932	3,846,032
20.67%	1,284,591	1,284,591	1,284,591	1,284,591	1,284,591	1,544,503	1,800,603	2,056,703	2,313,803	2,568,903	2,824,003	3,081,903	3,338,003	3,594,103	3,849,203
20.68%	1,287,460	1,287,460	1,287,460	1,287,460	1,287,460	1,547,874	1,803,974	2,060,074	2,317,174	2,572,274	2,827,374	3,085,274	3,341,374	3,597,474	3,852,504
20.69%	1,290,338	1,290,338	1,290,338	1,290,338	1,290,338	1,551,245	1,807,345	2,063,445	2,320,545	2,575,645	2,830,645	3,088,545	3,344,645	3,600,745	3,855,804
20.70%	1,293,226	1,293,226	1,293,226	1,293,226	1,293,226	1,554,616	1,810,716	2,066,816	2,323,916	2,578,946	2,833,946	3,091,846	3,347,946	3,604,046	3,859,104
20.71%	1,296,124	1,296,124	1,296,124	1,296,124	1,296,124	1,557,987	1,814,087	2,070,187	2,327,287	2,582,277	2,837,277	3,095,177	3,351,277	3,607,377	3,862,404
20.72%	1,299,032	1,299,032	1,299,032	1,299,032	1,299,032	1,561,358	1,817,458	2,073,558	2,330,658	2,585,568	2,840,658	3,098,508	3,354,658	3,610,677	3,865,504
20.73%	1,301,950	1,301,950	1,301,950	1,301,950	1,301,950	1,564,729	1,820,829	2,076,929	2,334,029	2,588,899	2,843,929	3,101,899	3,358,029	3,613,977	3,868,604
20.74%	1,304,877	1,304,877	1,304,877	1,304,877	1,304,877	1,568,100	1,824,200	2,080,300	2,337,400	2,592,270	2,847,270	3,105,270	3,361,400	3,617,077	3,871,704
20.75%	1,307,815	1,307,815	1,307,815	1,307,815	1,307,815	1,571,471	1,827,571	2,083,671	2,340,771	2,595,641	2,850,641	3,108,641	3,364,771	3,620,177	3,874,904
20.76%	1,310,763	1,310,763	1,310,763	1,310,763	1,310,763	1,574,842	1,830,942	2,087,042	2,344,142	2,598,972	2,853,972	3,112,042	3,368,142	3,623,277	3,878,004
20.77%	1,313,720	1,313,720	1,313,720	1,313,720	1,313,720	1,578,213	1,834,313	2,090,413	2,347,513	2,602,343	2,857,343	3,115,343	3,371,513	3,626,577	3,881,104
20.78%	1,316,688	1,316,688	1,316,688	1,316,688	1,316,688	1,581,584	1,837,684	2,093,784	2,350,884	2,605,714	2,860,714	3,118,714	3,374,884	3,629,677	3,884,204
20.79%	1,319,666	1,319,666	1,319,666	1,319,666	1,319,666	1,584,955	1,841,055	2,097,155	2,354,255	2,609,045	2,864,045	3,122,045	3,378,255	3,632,777	3,887,304
20.80%	1,322,654	1,322,654	1,322,654	1,322,654	1,322,654	1,588,326	1,844,426	2,100,526	2,357,626	2,612,376	2,867,376	3,125,376	3,381,626	3,635,877	3,890,404
20.81%	1,325,653	1,325,653	1,325,653	1,325,653	1,325,653	1,591,697	1,847,797	2,103,897	2,360,997	2,615,707	2,870,707	3,128,707	3,384,997	3,638,977	3,893,504
20.82%	1,328,662	1,328,662	1,328,662	1,328,662	1,328,662	1,595,068	1,851,168	2,107,268	2,364,368	2,619,078	2,874,078	3,132,078	3,388,368	3,642,077	3,896,604
20.83%	1,331,681	1,331,681	1,331,681	1,331,681	1,331,681	1,598,439	1,854,539	2,110,639	2,367,739	2,622,409	2,877,409	3,135,409	3,391,739	3,645,177	3,899,704
20.84%	1,334,711	1,334,711	1,334,711	1,334,711	1,334,711	1,601,810	1,857,910	2,114,010	2,371,110	2,625,730	2,880,730	3,138,730	3,395,110	3,648,277	3,902,804
20.85%	1,337,751	1,337,751	1,337,751	1,337,751	1,337,751	1,605,181	1,861,281	2,117,381	2,374,481	2,629,061	2,884,061	3,142,061	3,398,481	3,651,377	3,905,904
20.86%	1,340,802	1,340,802	1,340,802	1,340,802	1,340,802	1,608,552	1,864,652	2,120,752	2,377,852	2,632,392	2,887,392	3,145,392	3,401,852	3,654,477	3,909,004
20.87%	1,343,863	1,343,863	1,343,863	1,343,863	1,343,863	1,611,923	1,868,023	2,124,123	2,381,223	2,635,723	2,890,723	3,148,723	3,405,223	3,657,577	3,912,104
20.88%	1,346,935	1,346,935	1,346,935	1,346,935	1,346,935	1,615,294	1,871,394	2,127,494	2,384,594	2,639,054	2,894,054	3,152,054	3,408,594	3,660,677	3,915,204
20.89%	1,350,018	1,350,018	1,350,018	1,350,018	1,350,018	1,618,665	1,874,765	2,130,865	2,387,965	2,642,385	2,897,385	3,155,385	3,411,965	3,663,777	3,918,304
20.90%	1,353,112	1,353,112	1,353,112	1,353,112	1,353,112	1,622,036	1,878,136	2,134,236	2,391,336	2,645,716	2,900,716	3,158,716	3,415,336	3,666,877	3,921,404
20.91%	1,356,216	1,356,216	1,356,216	1,356,216	1,356,216	1,625,407	1,881,507	2,137,607	2,394,707	2,649,047	2,904,047	3,162,047	3,418,707	3,669,977	3,924,504
20.92%	1,359,332	1,359,332	1,359,332	1,359,332	1,359,332	1,628,778	1,884,878	2,140,978	2,398,078	2,652,378	2,907,378	3,165,378	3,422,078	3,673,077	3,927,604
20.93%	1,362,458	1,362,458	1,362,458	1,362,458	1,362,458	1,632,149	1,888,249	2,144,349	2,401,449	2,655,709	2,910,709	3,168,709	3,425,449	3,676,177	3,930,704
20.94%	1,365,595	1,365,595	1,365,595	1,365,595	1,365,595	1,635,520	1,891,620	2,147,720	2,404,820	2,659,039	2,914,039	3,172,039	3,428,820	3,679,277	3,933,804
20.95%	1,368,744	1,368,744	1,368,744	1,368,744	1,368,744	1,638,891	1,894,991	2,151,091	2,408,191	2,662,369	2,917,369	3,175,369	3,432,191	3,682,377	3,936,904
20.96%	1,371,903	1,371,903	1,371,903	1,371,903	1,371,903	1,642,262	1,898,362	2,154,462	2,411,562	2,665,699	2,920,699	3,178,699	3,435,562	3,685,477	3,940,004
20.97%	1,375,074	1,375,074	1,375,074	1,375,074	1,375,074	1,645,633	1,901,733	2,157,833	2,414,933	2,669,029	2,924,029	3,182,029	3,438,933	3,688,577	3,943,104
20.98%	1,378,256	1,378,256	1,378,256	1,378,256	1,378,256	1,649,004	1,905,104	2,161,204	2,418,304	2,672,359	2,927,359	3,185,359	3,442,304	3,691,677	3,946,204
20.99%	1,381,449	1,381,449	1,381,449	1,381,449	1,381,449	1,652,375	1,908,475	2,164,575	2,421,675	2,675,689	2,930,689	3,188,689	3,445,675	3,694,777	3,949,304

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
21.00%	1,384,654	1,384,654	1,384,654	1,384,654	1,384,654	1,665,028	1,945,402	2,225,776	2,506,150	2,786,523	3,066,897	3,347,271	3,627,645	3,908,019	4,188,393
21.01%	1,387,870	1,387,870	1,387,870	1,387,870	1,387,870	1,668,895	1,949,920	2,230,945	2,511,971	2,792,996	3,073,021	3,353,046	3,633,420	3,913,794	4,194,168
21.02%	1,391,088	1,391,088	1,391,088	1,391,088	1,391,088	1,672,776	1,954,455	2,236,134	2,517,812	2,799,991	3,080,016	3,360,041	3,640,415	3,920,789	4,201,163
21.03%	1,394,337	1,394,337	1,394,337	1,394,337	1,394,337	1,676,671	1,959,006	2,241,340	2,523,679	2,806,009	3,086,034	3,370,679	3,650,053	3,930,427	4,210,801
21.04%	1,397,587	1,397,587	1,397,587	1,397,587	1,397,587	1,680,580	1,963,573	2,246,566	2,529,559	2,812,551	3,092,576	3,378,521	3,661,530	3,941,904	4,222,278
21.05%	1,400,850	1,400,850	1,400,850	1,400,850	1,400,850	1,684,503	1,968,157	2,251,810	2,536,463	2,819,117	3,102,770	3,396,424	3,679,077	3,961,630	4,242,994
21.06%	1,404,124	1,404,124	1,404,124	1,404,124	1,404,124	1,688,440	1,972,757	2,257,073	2,541,390	2,825,706	3,110,022	3,394,339	3,678,655	3,961,971	4,242,288
21.07%	1,407,410	1,407,410	1,407,410	1,407,410	1,407,410	1,692,392	1,977,374	2,262,355	2,547,337	2,832,319	3,117,300	3,402,282	3,687,264	3,972,246	4,252,227
21.08%	1,410,708	1,410,708	1,410,708	1,410,708	1,410,708	1,696,357	1,982,007	2,267,656	2,553,306	2,838,955	3,124,605	3,410,254	3,695,904	3,981,553	4,262,203
21.09%	1,414,018	1,414,018	1,414,018	1,414,018	1,414,018	1,700,337	1,986,657	2,272,977	2,559,296	2,845,616	3,131,936	3,418,256	3,704,575	3,990,895	4,272,215
21.10%	1,417,339	1,417,339	1,417,339	1,417,339	1,417,339	1,704,332	1,991,324	2,278,316	2,565,309	2,852,301	3,139,293	3,426,286	3,713,278	4,000,270	4,287,263
21.11%	1,420,673	1,420,673	1,420,673	1,420,673	1,420,673	1,708,341	1,996,008	2,283,675	2,571,343	2,859,010	3,146,678	3,434,345	3,722,012	4,009,680	4,297,347
21.12%	1,424,019	1,424,019	1,424,019	1,424,019	1,424,019	1,712,364	2,000,709	2,289,054	2,577,399	2,865,744	3,154,089	3,442,433	3,730,778	4,019,123	4,307,468
21.13%	1,427,377	1,427,377	1,427,377	1,427,377	1,427,377	1,716,402	2,005,427	2,294,452	2,583,477	2,872,502	3,161,527	3,450,552	3,739,576	4,028,601	4,317,626
21.14%	1,430,748	1,430,748	1,430,748	1,430,748	1,430,748	1,720,455	2,010,163	2,299,870	2,589,577	2,879,285	3,168,992	3,458,699	3,748,407	4,038,114	4,327,821
21.15%	1,434,131	1,434,131	1,434,131	1,434,131	1,434,131	1,724,523	2,014,915	2,305,308	2,595,700	2,886,092	3,176,484	3,466,877	3,757,269	4,047,661	4,338,054
21.16%	1,437,526	1,437,526	1,437,526	1,437,526	1,437,526	1,728,606	2,019,685	2,310,765	2,601,845	2,892,925	3,184,005	3,475,084	3,766,164	4,057,244	4,348,324
21.17%	1,440,933	1,440,933	1,440,933	1,440,933	1,440,933	1,732,703	2,024,473	2,316,243	2,608,013	2,899,782	3,191,552	3,483,322	3,775,092	4,066,861	4,358,631
21.18%	1,444,354	1,444,354	1,444,354	1,444,354	1,444,354	1,736,816	2,029,278	2,321,741	2,614,203	2,906,665	3,199,128	3,491,590	3,784,052	4,076,514	4,368,977
21.19%	1,447,786	1,447,786	1,447,786	1,447,786	1,447,786	1,740,944	2,034,101	2,327,259	2,620,416	2,913,573	3,206,731	3,499,868	3,793,046	4,086,203	4,379,360
21.20%	1,451,232	1,451,232	1,451,232	1,451,232	1,451,232	1,745,087	2,038,942	2,332,797	2,626,652	2,920,507	3,214,362	3,508,217	3,802,072	4,095,927	4,389,783
21.21%	1,454,690	1,454,690	1,454,690	1,454,690	1,454,690	1,749,245	2,043,801	2,338,356	2,632,911	2,927,467	3,222,022	3,516,577	3,811,132	4,105,688	4,400,243
21.22%	1,458,161	1,458,161	1,458,161	1,458,161	1,458,161	1,753,419	2,048,677	2,343,935	2,639,194	2,934,452	3,229,710	3,524,968	3,820,226	4,115,484	4,410,742
21.23%	1,461,645	1,461,645	1,461,645	1,461,645	1,461,645	1,757,609	2,053,572	2,349,536	2,645,499	2,941,463	3,237,426	3,533,390	3,829,354	4,125,317	4,421,281
21.24%	1,465,142	1,465,142	1,465,142	1,465,142	1,465,142	1,761,813	2,058,485	2,355,157	2,651,828	2,948,500	3,245,172	3,541,843	3,838,515	4,135,187	4,431,858
21.25%	1,468,652	1,468,652	1,468,652	1,468,652	1,468,652	1,766,034	2,063,416	2,360,799	2,658,181	2,955,563	3,252,946	3,550,328	3,847,711	4,145,093	4,442,475
21.26%	1,472,175	1,472,175	1,472,175	1,472,175	1,472,175	1,770,270	2,068,366	2,366,462	2,664,558	2,962,653	3,260,749	3,558,845	3,856,940	4,155,036	4,453,132
21.27%	1,475,711	1,475,711	1,475,711	1,475,711	1,475,711	1,774,523	2,073,334	2,372,146	2,670,958	2,969,770	3,268,581	3,567,393	3,866,205	4,165,017	4,463,828
21.28%	1,479,260	1,479,260	1,479,260	1,479,260	1,479,260	1,778,791	2,078,321	2,377,852	2,677,382	2,976,913	3,276,443	3,575,973	3,875,504	4,175,034	4,474,565
21.29%	1,482,823	1,482,823	1,482,823	1,482,823	1,482,823	1,783,075	2,083,327	2,383,579	2,683,830	2,984,082	3,284,334	3,584,586	3,884,838	4,185,090	4,485,342
21.30%	1,486,399	1,486,399	1,486,399	1,486,399	1,486,399	1,787,375	2,088,351	2,389,327	2,690,303	2,991,279	3,292,255	3,593,231	3,894,207	4,195,183	4,496,159
21.31%	1,489,989	1,489,989	1,489,989	1,489,989	1,489,989	1,791,692	2,093,394	2,395,097	2,696,800	2,998,503	3,300,206	3,601,909	3,903,611	4,205,314	4,507,017
21.32%	1,493,592	1,493,592	1,493,592	1,493,592	1,493,592	1,796,024	2,098,457	2,400,889	2,703,322	3,005,754	3,308,187	3,610,619	3,913,051	4,215,484	4,517,916
21.33%	1,497,209	1,497,209	1,497,209	1,497,209	1,497,209	1,800,374	2,103,538	2,406,703	2,709,868	3,013,033	3,316,198	3,619,362	3,922,527	4,225,692	4,528,857
21.34%	1,500,839	1,500,839	1,500,839	1,500,839	1,500,839	1,804,739	2,108,639	2,412,539	2,716,439	3,020,339	3,324,239	3,628,139	3,932,039	4,236,939	4,539,839
21.35%	1,504,484	1,504,484	1,504,484	1,504,484	1,504,484	1,809,121	2,113,759	2,418,397	2,723,035	3,027,673	3,332,311	3,636,949	3,941,586	4,246,224	4,550,862
21.36%	1,508,142	1,508,142	1,508,142	1,508,142	1,508,142	1,813,520	2,118,899	2,424,278	2,728,656	3,035,035	3,340,413	3,645,792	3,951,170	4,256,549	4,561,928
21.37%	1,511,814	1,511,814	1,511,814	1,511,814	1,511,814	1,817,936	2,124,058	2,430,180	2,734,302	3,042,425	3,348,547	3,654,669	3,960,791	4,266,913	4,573,035
21.38%	1,515,500	1,515,500	1,515,500	1,515,500	1,515,500	1,822,369	2,129,237	2,436,106	2,739,974	3,049,843	3,356,711	3,663,580	3,970,448	4,277,317	4,584,185
21.39%	1,519,200	1,519,200	1,519,200	1,519,200	1,519,200	1,826,818	2,134,436	2,442,054	2,745,671	3,057,289	3,364,907	3,672,525	3,980,143	4,287,760	4,595,378

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
21.40%	1,522,915	1,522,915	1,522,915	1,522,915	1,522,915	1,831,285	2,139,655	2,448,024	2,756,394	3,064,764	3,373,134	3,681,504	3,989,874	4,298,244	4,606,614
21.41%	1,526,643	1,526,643	1,526,643	1,526,643	1,526,643	1,834,768	2,144,893	2,454,018	2,763,143	3,072,268	3,381,393	3,690,518	3,999,643	4,308,768	4,617,893
21.42%	1,530,387	1,530,387	1,530,387	1,530,387	1,530,387	1,840,260	2,150,152	2,460,035	2,769,919	3,079,803	3,388,688	3,697,573	4,006,457	4,315,342	4,624,227
21.43%	1,534,144	1,534,144	1,534,144	1,534,144	1,534,144	1,844,788	2,155,431	2,465,315	2,775,199	3,085,083	3,394,968	3,704,853	4,014,738	4,324,623	4,634,508
21.44%	1,537,916	1,537,916	1,537,916	1,537,916	1,537,916	1,849,323	2,160,731	2,471,138	2,781,022	3,090,906	3,400,791	3,710,676	4,020,561	4,330,446	4,640,331
21.45%	1,541,703	1,541,703	1,541,703	1,541,703	1,541,703	1,853,877	2,166,051	2,475,225	2,790,399	3,102,574	3,412,459	3,722,344	4,032,229	4,342,114	4,652,000
21.46%	1,545,504	1,545,504	1,545,504	1,545,504	1,545,504	1,858,448	2,171,392	2,480,336	2,797,279	3,110,223	3,421,108	3,731,993	4,041,878	4,351,763	4,661,648
21.47%	1,549,320	1,549,320	1,549,320	1,549,320	1,549,320	1,863,037	2,176,763	2,490,470	2,804,186	3,117,903	3,431,620	3,742,505	4,052,390	4,362,275	4,672,160
21.48%	1,553,151	1,553,151	1,553,151	1,553,151	1,553,151	1,867,643	2,182,135	2,496,628	2,811,120	3,125,612	3,440,105	3,751,990	4,062,875	4,373,760	4,683,645
21.49%	1,556,997	1,556,997	1,556,997	1,556,997	1,556,997	1,872,268	2,187,539	2,502,810	2,818,081	3,133,352	3,443,836	3,754,721	4,065,606	4,376,491	4,687,376
21.50%	1,560,858	1,560,858	1,560,858	1,560,858	1,560,858	1,876,910	2,192,963	2,509,016	2,823,069	3,141,122	3,451,175	3,762,060	4,072,945	4,385,830	4,696,715
21.51%	1,564,734	1,564,734	1,564,734	1,564,734	1,564,734	1,881,571	2,198,409	2,515,247	2,832,084	3,148,922	3,458,975	3,770,860	4,082,745	4,395,630	4,706,515
21.52%	1,568,625	1,568,625	1,568,625	1,568,625	1,568,625	1,886,250	2,203,876	2,521,502	2,839,127	3,156,753	3,466,906	3,778,791	4,094,676	4,407,561	4,718,446
21.53%	1,572,531	1,572,531	1,572,531	1,572,531	1,572,531	1,890,948	2,209,365	2,527,781	2,846,198	3,164,614	3,474,548	3,786,433	4,102,323	4,415,218	4,726,103
21.54%	1,576,453	1,576,453	1,576,453	1,576,453	1,576,453	1,895,664	2,214,875	2,534,086	2,853,296	3,172,507	3,481,441	3,793,326	4,108,211	4,421,106	4,732,001
21.55%	1,580,391	1,580,391	1,580,391	1,580,391	1,580,391	1,900,399	2,220,407	2,540,415	2,860,423	3,180,431	3,500,366	3,810,301	4,116,196	4,427,091	4,738,001
21.56%	1,584,344	1,584,344	1,584,344	1,584,344	1,584,344	1,905,152	2,225,961	2,546,769	2,867,577	3,188,386	3,509,321	3,819,256	4,122,151	4,433,046	4,743,941
21.57%	1,588,312	1,588,312	1,588,312	1,588,312	1,588,312	1,909,924	2,231,536	2,553,148	2,874,760	3,196,372	3,517,316	3,828,251	4,133,146	4,444,041	4,754,936
21.58%	1,592,297	1,592,297	1,592,297	1,592,297	1,592,297	1,914,716	2,237,134	2,559,553	2,881,972	3,204,391	3,526,810	3,837,745	4,143,640	4,454,535	4,765,430
21.59%	1,596,297	1,596,297	1,596,297	1,596,297	1,596,297	1,919,526	2,242,755	2,565,983	2,889,212	3,212,441	3,535,670	3,846,605	4,153,500	4,464,395	4,775,290
21.60%	1,600,313	1,600,313	1,600,313	1,600,313	1,600,313	1,924,355	2,248,397	2,572,439	2,896,481	3,220,523	3,544,565	3,868,607	4,177,452	4,488,347	4,799,242
21.61%	1,604,345	1,604,345	1,604,345	1,604,345	1,604,345	1,929,204	2,254,062	2,578,921	2,903,779	3,228,638	3,553,496	3,878,535	4,203,214	4,514,109	4,825,004
21.62%	1,608,394	1,608,394	1,608,394	1,608,394	1,608,394	1,934,072	2,259,750	2,584,429	2,911,107	3,236,785	3,562,463	3,893,142	4,213,820	4,524,715	4,835,610
21.63%	1,612,458	1,612,458	1,612,458	1,612,458	1,612,458	1,938,960	2,265,461	2,591,962	2,918,464	3,244,965	3,571,466	3,901,967	4,224,468	4,535,363	4,846,258
21.64%	1,616,539	1,616,539	1,616,539	1,616,539	1,616,539	1,943,867	2,271,195	2,598,522	2,925,850	3,253,177	3,580,505	3,907,833	4,235,160	4,546,055	4,857,000
21.65%	1,620,637	1,620,637	1,620,637	1,620,637	1,620,637	1,948,794	2,276,951	2,605,109	2,933,266	3,261,423	3,589,580	3,917,738	4,245,895	4,556,790	4,867,735
21.66%	1,624,751	1,624,751	1,624,751	1,624,751	1,624,751	1,953,741	2,282,731	2,611,722	2,940,712	3,269,702	3,598,692	3,927,683	4,256,673	4,567,568	4,878,513
21.67%	1,628,881	1,628,881	1,628,881	1,628,881	1,628,881	1,958,708	2,288,535	2,618,361	2,948,188	3,278,015	3,607,841	3,937,668	4,267,495	4,578,390	4,889,335
21.68%	1,633,028	1,633,028	1,633,028	1,633,028	1,633,028	1,963,695	2,294,361	2,625,028	2,955,694	3,286,361	3,617,027	3,947,694	4,278,360	4,589,255	4,900,200
21.69%	1,637,193	1,637,193	1,637,193	1,637,193	1,637,193	1,968,702	2,300,212	2,631,721	2,963,231	3,294,741	3,626,250	3,957,660	4,289,270	4,600,165	4,911,110
21.70%	1,641,374	1,641,374	1,641,374	1,641,374	1,641,374	1,973,730	2,306,086	2,638,442	2,970,799	3,303,155	3,635,511	3,967,867	4,300,224	4,611,119	4,922,064
21.71%	1,645,572	1,645,572	1,645,572	1,645,572	1,645,572	1,978,778	2,311,984	2,645,191	2,976,397	3,311,603	3,644,809	3,978,016	4,311,222	4,622,117	4,933,062
21.72%	1,649,787	1,649,787	1,649,787	1,649,787	1,649,787	1,983,844	2,317,907	2,651,966	2,982,026	3,320,086	3,651,146	3,983,253	4,322,266	4,633,157	4,944,002
21.73%	1,654,019	1,654,019	1,654,019	1,654,019	1,654,019	1,988,936	2,323,853	2,658,770	2,993,687	3,328,604	3,663,521	3,994,337	4,332,417	4,643,308	4,954,143
21.74%	1,658,269	1,658,269	1,658,269	1,658,269	1,658,269	1,994,047	2,329,824	2,665,601	3,001,379	3,337,156	3,672,934	4,004,711	4,344,488	4,655,379	4,966,224
21.75%	1,662,537	1,662,537	1,662,537	1,662,537	1,662,537	1,999,178	2,335,820	2,672,461	3,009,102	3,345,744	3,682,385	4,011,027	4,355,668	4,666,559	4,977,404
21.76%	1,666,822	1,666,822	1,666,822	1,666,822	1,666,822	2,004,331	2,341,840	2,679,349	3,016,858	3,354,367	3,691,876	4,023,985	4,366,894	4,704,403	5,015,348
21.77%	1,671,124	1,671,124	1,671,124	1,671,124	1,671,124	2,009,504	2,347,885	2,686,265	3,024,645	3,363,026	3,701,406	4,032,027	4,378,167	4,716,547	5,027,492
21.78%	1,675,444	1,675,444	1,675,444	1,675,444	1,675,444	2,014,700	2,353,955	2,693,210	3,032,465	3,371,720	3,710,975	4,050,230	4,389,485	4,728,741	5,038,436
21.79%	1,679,783	1,679,783	1,679,783	1,679,783	1,679,783	2,019,916	2,360,050	2,700,183	3,040,317	3,380,451	3,720,584	4,060,718	4,400,851	4,740,985	5,051,110

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	Relevant Minimum Fee mentioned in Section 4(b)(i)														
Royalty Percentage	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
21.80%	1,684,139	1,684,139	1,684,139	1,684,139	1,684,139	2,025,155	2,366,170	2,707,186	3,048,202	3,389,217	3,730,233	4,071,249	4,412,264	4,753,280	5,094,296
21.81%	1,688,513	1,688,513	1,688,513	1,688,513	1,688,513	2,030,617	2,372,316	2,714,218	3,056,119	3,398,020	3,739,922	4,081,823	4,423,725	4,765,626	5,107,528
21.82%	1,692,906	1,692,906	1,692,906	1,692,906	1,692,906	2,036,097	2,378,488	2,721,279	3,062,169	3,406,060	3,747,961	4,089,862	4,431,763	4,773,664	5,115,565
21.83%	1,697,317	1,697,317	1,697,317	1,697,317	1,697,317	2,041,001	2,384,685	2,728,369	3,072,053	3,415,944	3,757,845	4,100,000	4,442,155	4,784,310	5,126,465
21.84%	1,701,747	1,701,747	1,701,747	1,701,747	1,701,747	2,046,327	2,390,908	2,736,489	3,080,073	3,426,332	3,768,233	4,113,813	4,455,968	4,802,123	5,148,678
21.85%	1,706,195	1,706,195	1,706,195	1,706,195	1,706,195	2,051,676	2,397,158	2,742,639	3,088,121	3,433,603	3,775,084	4,124,566	4,470,721	4,816,876	5,163,931
21.86%	1,710,661	1,710,661	1,710,661	1,710,661	1,710,661	2,057,047	2,403,433	2,749,820	3,096,206	3,444,592	3,783,978	4,136,364	4,483,519	4,830,674	5,177,726
21.87%	1,715,147	1,715,147	1,715,147	1,715,147	1,715,147	2,062,441	2,409,736	2,757,030	3,104,324	3,451,619	3,793,913	4,146,207	4,493,362	4,840,517	5,188,681
21.88%	1,719,651	1,719,651	1,719,651	1,719,651	1,719,651	2,067,858	2,416,064	2,764,271	3,112,477	3,460,684	3,808,890	4,157,086	4,505,303	4,853,518	5,201,716
21.89%	1,724,175	1,724,175	1,724,175	1,724,175	1,724,175	2,073,297	2,422,420	2,771,542	3,120,665	3,469,787	3,818,909	4,168,032	4,517,154	4,866,277	5,216,399
21.90%	1,728,718	1,728,718	1,728,718	1,728,718	1,728,718	2,078,760	2,428,802	2,778,844	3,128,887	3,478,929	3,828,971	4,179,013	4,529,056	4,879,098	5,229,140
21.91%	1,733,280	1,733,280	1,733,280	1,733,280	1,733,280	2,084,246	2,435,212	2,786,178	3,137,144	3,488,110	3,839,076	4,190,042	4,541,008	4,891,974	5,242,940
21.92%	1,737,861	1,737,861	1,737,861	1,737,861	1,737,861	2,089,755	2,441,649	2,793,542	3,145,436	3,497,330	3,849,223	4,201,117	4,553,011	4,904,904	5,256,798
21.93%	1,742,462	1,742,462	1,742,462	1,742,462	1,742,462	2,095,288	2,448,113	2,800,938	3,153,764	3,506,589	3,859,414	4,212,240	4,565,065	4,917,890	5,270,716
21.94%	1,747,083	1,747,083	1,747,083	1,747,083	1,747,083	2,100,844	2,454,605	2,808,366	3,162,127	3,515,888	3,869,649	4,223,410	4,577,171	4,930,932	5,284,693
21.95%	1,751,724	1,751,724	1,751,724	1,751,724	1,751,724	2,106,424	2,461,125	2,815,825	3,170,526	3,525,227	3,879,927	4,234,628	4,589,328	4,944,029	5,298,730
21.96%	1,756,384	1,756,384	1,756,384	1,756,384	1,756,384	2,112,028	2,467,673	2,823,317	3,178,961	3,539,605	3,890,250	4,245,894	4,601,538	4,957,183	5,312,827
21.97%	1,761,064	1,761,064	1,761,064	1,761,064	1,761,064	2,117,656	2,474,249	2,830,841	3,187,433	3,544,025	3,900,617	4,257,209	4,613,801	4,970,393	5,326,985
21.98%	1,765,765	1,765,765	1,765,765	1,765,765	1,765,765	2,123,309	2,480,853	2,838,397	3,195,941	3,553,484	3,911,028	4,268,572	4,626,116	4,983,660	5,341,204
21.99%	1,770,486	1,770,486	1,770,486	1,770,486	1,770,486	2,128,986	2,487,486	2,845,986	3,204,485	3,562,985	3,927,485	4,279,985	4,638,485	4,996,984	5,355,484
22.00%	1,775,228	1,775,228	1,775,228	1,775,228	1,775,228	2,134,687	2,494,147	2,853,607	3,213,067	3,572,527	3,931,987	4,291,447	4,650,907	5,010,367	5,369,826
22.01%	1,779,990	1,779,990	1,779,990	1,779,990	1,779,990	2,140,414	2,500,838	2,861,262	3,221,686	3,582,110	3,942,534	4,302,959	4,663,383	5,023,807	5,384,231
22.02%	1,784,772	1,784,772	1,784,772	1,784,772	1,784,772	2,146,165	2,507,568	2,868,950	3,230,343	3,591,735	3,953,128	4,314,520	4,675,913	5,037,306	5,398,698
22.03%	1,789,576	1,789,576	1,789,576	1,789,576	1,789,576	2,151,941	2,514,307	2,876,672	3,239,037	3,601,402	3,963,767	4,326,133	4,688,498	5,050,863	5,413,228
22.04%	1,794,401	1,794,401	1,794,401	1,794,401	1,794,401	2,157,743	2,521,085	2,884,427	3,247,769	3,611,111	3,974,454	4,337,796	4,701,138	5,064,480	5,427,822
22.05%	1,799,246	1,799,246	1,799,246	1,799,246	1,799,246	2,163,570	2,527,893	2,892,216	3,256,540	3,620,863	3,985,187	4,349,510	4,713,833	5,078,157	5,442,480
22.06%	1,804,113	1,804,113	1,804,113	1,804,113	1,804,113	2,169,422	2,534,731	2,900,040	3,265,349	3,630,658	3,995,967	4,361,275	4,726,584	5,091,883	5,457,202
22.07%	1,809,002	1,809,002	1,809,002	1,809,002	1,809,002	2,175,301	2,541,599	2,907,898	3,274,197	3,640,495	4,006,794	4,373,093	4,739,391	5,105,690	5,471,989
22.08%	1,813,912	1,813,912	1,813,912	1,813,912	1,813,912	2,181,205	2,548,498	2,915,790	3,283,083	3,650,376	4,017,689	4,384,962	4,752,255	5,119,548	5,486,841
22.09%	1,818,843	1,818,843	1,818,843	1,818,843	1,818,843	2,187,135	2,555,426	2,923,718	3,292,009	3,660,301	4,028,592	4,396,884	4,765,175	5,133,467	5,501,758
22.10%	1,823,797	1,823,797	1,823,797	1,823,797	1,823,797	2,193,091	2,562,386	2,931,680	3,300,950	3,670,270	4,039,564	4,408,859	4,778,153	5,147,448	5,516,742
22.11%	1,828,772	1,828,772	1,828,772	1,828,772	1,828,772	2,199,074	2,569,376	2,939,678	3,309,980	3,680,282	4,050,584	4,420,886	4,791,188	5,161,490	5,531,792
22.12%	1,833,770	1,833,770	1,833,770	1,833,770	1,833,770	2,205,084	2,576,398	2,947,712	3,319,026	3,690,340	4,061,654	4,432,968	4,804,282	5,175,595	5,546,909
22.13%	1,838,790	1,838,790	1,838,790	1,838,790	1,838,790	2,211,120	2,583,451	2,955,781	3,328,112	3,700,442	4,072,772	4,445,103	4,817,433	5,189,763	5,562,094
22.14%	1,843,832	1,843,832	1,843,832	1,843,832	1,843,832	2,217,184	2,590,535	2,963,866	3,337,206	3,711,589	4,083,941	4,457,292	4,830,643	5,203,995	5,577,346
22.15%	1,848,897	1,848,897	1,848,897	1,848,897	1,848,897	2,223,274	2,597,651	2,972,028	3,346,405	3,722,782	4,095,159	4,469,536	4,843,913	5,218,290	5,592,667
22.16%	1,853,985	1,853,985	1,853,985	1,853,985	1,853,985	2,229,392	2,604,799	2,980,206	3,355,613	3,731,020	4,106,428	4,481,835	4,857,242	5,232,649	5,608,056
22.17%	1,859,095	1,859,095	1,859,095	1,859,095	1,859,095	2,235,537	2,611,979	2,988,421	3,364,863	3,741,305	4,117,747	4,494,189	4,871,631	5,247,073	5,623,515
22.18%	1,864,229	1,864,229	1,864,229	1,864,229	1,864,229	2,241,710	2,619,192	2,996,673	3,374,154	3,751,636	4,129,117	4,506,589	4,884,080	5,261,562	5,639,043
22.19%	1,869,386	1,869,386	1,869,386	1,869,386	1,869,386	2,247,911	2,626,437	3,004,962	3,383,488	3,762,013	4,140,539	4,519,065	4,897,590	5,276,116	5,654,641

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
22.20%	1,874,566	1,874,566	1,874,566	1,874,566	1,874,566	2,254,140	2,633,715	3,013,289	3,392,864	3,772,438	4,152,013	4,531,587	4,911,162	5,290,736	5,670,311
22.21%	1,879,769	1,879,769	1,879,769	1,879,769	1,879,769	2,254,140	2,633,715	3,013,289	3,392,864	3,772,438	4,152,013	4,531,587	4,911,162	5,290,736	5,670,311
22.22%	1,884,966	1,884,966	1,884,966	1,884,966	1,884,966	2,266,683	2,646,370	3,030,056	3,410,292	3,792,910	4,173,538	4,554,166	4,934,794	5,305,423	5,686,051
22.23%	1,890,248	1,890,248	1,890,248	1,890,248	1,890,248	2,272,997	2,655,747	3,038,497	3,421,247	3,803,997	4,186,747	4,569,497	4,952,247	5,334,996	5,717,746
22.24%	1,895,523	1,895,523	1,895,523	1,895,523	1,895,523	2,279,341	2,665,169	3,046,977	3,430,795	3,814,613	4,198,431	4,582,249	4,966,067	5,349,885	5,733,703
22.25%	1,900,822	1,900,822	1,900,822	1,900,822	1,900,822	2,285,713	2,676,004	3,055,495	3,440,386	3,825,277	4,210,168	4,595,059	4,979,950	5,364,841	5,749,732
22.26%	1,906,145	1,906,145	1,906,145	1,906,145	1,906,145	2,292,114	2,687,083	3,064,052	3,450,021	3,835,990	4,221,959	4,607,928	4,993,897	5,379,866	5,765,835
22.27%	1,911,494	1,911,494	1,911,494	1,911,494	1,911,494	2,298,545	2,695,597	3,072,649	3,459,701	3,846,753	4,233,805	4,620,857	5,007,909	5,394,961	5,782,013
22.28%	1,916,866	1,916,866	1,916,866	1,916,866	1,916,866	2,305,006	2,693,146	3,081,286	3,469,426	3,857,585	4,245,705	4,633,845	5,021,985	5,410,125	5,798,264
22.29%	1,922,264	1,922,264	1,922,264	1,922,264	1,922,264	2,311,497	2,700,729	3,089,962	3,479,195	3,868,428	4,257,680	4,646,893	5,036,126	5,425,359	5,814,591
22.30%	1,927,686	1,927,686	1,927,686	1,927,686	1,927,686	2,318,017	2,708,348	3,098,679	3,489,009	3,879,340	4,269,671	4,660,002	5,050,332	5,440,663	5,830,994
22.31%	1,933,134	1,933,134	1,933,134	1,933,134	1,933,134	2,324,568	2,716,002	3,107,436	3,498,870	3,890,303	4,281,737	4,673,171	5,064,605	5,456,039	5,847,473
22.32%	1,938,607	1,938,607	1,938,607	1,938,607	1,938,607	2,331,149	2,723,691	3,116,234	3,508,776	3,901,318	4,293,860	4,686,402	5,078,944	5,471,486	5,864,028
22.33%	1,944,106	1,944,106	1,944,106	1,944,106	1,944,106	2,337,761	2,731,417	3,125,072	3,518,728	3,912,383	4,306,039	4,699,694	5,093,350	5,487,005	5,880,661
22.34%	1,949,630	1,949,630	1,949,630	1,949,630	1,949,630	2,344,404	2,739,179	3,133,953	3,528,727	3,923,501	4,316,275	4,713,049	5,107,823	5,502,597	5,897,371
22.35%	1,955,181	1,955,181	1,955,181	1,955,181	1,955,181	2,351,079	2,746,976	3,142,874	3,538,772	3,934,670	4,330,568	4,726,466	5,122,364	5,518,262	5,914,160
22.36%	1,960,757	1,960,757	1,960,757	1,960,757	1,960,757	2,357,784	2,754,811	3,151,838	3,548,865	3,945,892	4,342,919	4,739,947	5,136,974	5,534,001	5,931,028
22.37%	1,966,360	1,966,360	1,966,360	1,966,360	1,966,360	2,364,521	2,762,683	3,160,844	3,559,006	3,957,167	4,355,329	4,753,490	5,151,652	5,549,813	5,947,975
22.38%	1,971,989	1,971,989	1,971,989	1,971,989	1,971,989	2,371,290	2,770,591	3,169,893	3,569,194	3,968,495	4,367,797	4,767,098	5,166,399	5,565,701	5,965,002
22.39%	1,977,644	1,977,644	1,977,644	1,977,644	1,977,644	2,378,091	2,778,537	3,178,984	3,579,430	3,979,877	4,380,324	4,780,770	5,181,217	5,581,663	5,982,110
22.40%	1,983,327	1,983,327	1,983,327	1,983,327	1,983,327	2,384,924	2,786,521	3,188,118	3,589,715	3,991,313	4,392,910	4,794,507	5,196,104	5,597,701	5,999,299
22.41%	1,989,036	1,989,036	1,989,036	1,989,036	1,989,036	2,391,790	2,794,543	3,197,296	3,600,049	4,002,803	4,406,556	4,808,309	5,211,063	5,613,816	6,016,569
22.42%	1,994,773	1,994,773	1,994,773	1,994,773	1,994,773	2,398,688	2,802,603	3,206,518	3,610,433	4,014,348	4,418,262	4,822,177	5,226,092	5,630,007	6,033,922
22.43%	2,000,537	2,000,537	2,000,537	2,000,537	2,000,537	2,405,619	2,810,701	3,215,783	3,620,865	4,025,947	4,431,030	4,836,112	5,241,194	5,646,276	6,051,358
22.44%	2,006,329	2,006,329	2,006,329	2,006,329	2,006,329	2,412,584	2,818,839	3,225,093	3,631,348	4,037,603	4,443,858	4,850,113	5,256,367	5,662,622	6,068,877
22.45%	2,012,148	2,012,148	2,012,148	2,012,148	2,012,148	2,419,582	2,827,015	3,234,448	3,641,881	4,049,314	4,456,748	4,864,181	5,271,614	5,679,047	6,086,480
22.46%	2,017,996	2,017,996	2,017,996	2,017,996	2,017,996	2,426,613	2,835,230	3,243,848	3,652,465	4,061,082	4,469,699	4,878,317	5,286,934	5,695,551	6,104,168
22.47%	2,023,872	2,023,872	2,023,872	2,023,872	2,023,872	2,433,679	2,843,486	3,253,293	3,663,100	4,072,907	4,482,714	4,892,521	5,302,328	5,712,135	6,121,942
22.48%	2,029,776	2,029,776	2,029,776	2,029,776	2,029,776	2,440,778	2,851,781	3,262,783	3,673,786	4,084,788	4,495,791	4,906,793	5,317,796	5,728,798	6,139,801
22.49%	2,035,709	2,035,709	2,035,709	2,035,709	2,035,709	2,447,912	2,860,116	3,272,320	3,684,524	4,096,728	4,508,932	4,921,135	5,333,339	5,746,543	6,157,747
22.50%	2,041,670	2,041,670	2,041,670	2,041,670	2,041,670	2,455,081	2,868,492	3,281,903	3,695,314	4,108,725	4,522,136	4,935,547	5,348,958	5,762,369	6,175,780
22.51%	2,047,661	2,047,661	2,047,661	2,047,661	2,047,661	2,462,285	2,876,909	3,291,533	3,706,157	4,120,781	4,535,405	4,950,029	5,364,653	5,779,277	6,193,901
22.52%	2,053,681	2,053,681	2,053,681	2,053,681	2,053,681	2,469,524	2,883,367	3,301,209	3,717,052	4,132,895	4,548,738	4,964,581	5,380,424	5,796,277	6,212,110
22.53%	2,059,730	2,059,730	2,059,730	2,059,730	2,059,730	2,476,798	2,893,866	3,310,934	3,728,001	4,145,069	4,562,137	4,979,205	5,396,273	5,813,340	6,230,408
22.54%	2,065,809	2,065,809	2,065,809	2,065,809	2,065,809	2,484,108	2,902,407	3,320,705	3,739,000	4,157,303	4,575,602	4,993,498	5,412,199	5,830,498	6,248,796
22.55%	2,071,918	2,071,918	2,071,918	2,071,918	2,071,918	2,491,544	2,910,989	3,330,525	3,750,061	4,169,597	4,589,132	5,008,668	5,428,204	5,847,739	6,267,275
22.56%	2,078,057	2,078,057	2,078,057	2,078,057	2,078,057	2,498,836	2,919,615	3,340,393	3,761,172	4,181,951	4,602,730	5,023,508	5,444,287	5,865,066	6,285,845
22.57%	2,084,226	2,084,226	2,084,226	2,084,226	2,084,226	2,506,254	2,928,282	3,350,310	3,772,338	4,194,366	4,616,394	5,038,422	5,460,450	5,882,478	6,304,806
22.58%	2,090,426	2,090,426	2,090,426	2,090,426	2,090,426	2,513,710	2,936,983	3,360,276	3,783,560	4,206,843	4,630,127	5,053,410	5,476,693	5,899,977	6,323,260
22.59%	2,096,657	2,096,657	2,096,657	2,096,657	2,096,657	2,521,202	2,945,747	3,370,292	3,794,837	4,219,382	4,643,927	5,068,472	5,483,017	5,917,562	6,342,107

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)(B)															
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
22.60%	2,102,919	2,102,919	2,102,919	2,102,919	2,102,919	2,528,732	2,954,545	3,380,358	3,806,171	4,231,983	4,657,796	5,083,609	5,509,422	5,935,235	6,361,048	
22.61%	2,109,212	2,109,212	2,109,212	2,109,212	2,109,212	2,536,909	2,963,386	3,390,473	3,817,561	4,244,648	4,671,735	5,098,822	5,524,909	5,952,997	6,380,084	
22.62%	2,115,536	2,115,536	2,115,536	2,115,536	2,115,536	2,543,904	2,972,272	3,400,640	3,827,008	4,256,375	4,685,743	5,114,111	5,542,479	5,970,847	6,399,214	
22.63%	2,121,892	2,121,892	2,121,892	2,121,892	2,121,892	2,551,547	2,981,120	3,410,857	3,840,512	4,270,167	4,699,822	5,129,477	5,559,131	5,988,786	6,418,441	
22.64%	2,128,281	2,128,281	2,128,281	2,128,281	2,128,281	2,559,229	2,990,177	3,421,126	3,852,074	4,283,023	4,713,971	5,144,919	5,573,668	6,006,816	6,437,765	
22.65%	2,134,701	2,134,701	2,134,701	2,134,701	2,134,701	2,566,949	2,999,198	3,431,446	3,863,695	4,295,943	4,728,192	5,160,440	5,592,689	6,024,937	6,457,185	
22.66%	2,141,154	2,141,154	2,141,154	2,141,154	2,141,154	2,574,709	3,008,264	3,441,819	3,875,374	4,308,929	4,742,484	5,176,039	5,609,594	6,043,149	6,476,704	
22.67%	2,147,639	2,147,639	2,147,639	2,147,639	2,147,639	2,582,508	3,017,376	3,452,244	3,887,113	4,321,981	4,756,849	5,191,717	5,626,586	6,061,454	6,496,322	
22.68%	2,154,158	2,154,158	2,154,158	2,154,158	2,154,158	2,590,346	3,026,534	3,462,722	3,896,911	4,335,099	4,771,287	5,207,475	5,643,663	6,079,852	6,516,040	
22.69%	2,160,710	2,160,710	2,160,710	2,160,710	2,160,710	2,598,224	3,035,739	3,473,254	3,910,769	4,348,284	4,785,799	5,223,313	5,660,828	6,096,343	6,535,858	
22.70%	2,167,295	2,167,295	2,167,295	2,167,295	2,167,295	2,606,143	3,044,991	3,483,839	3,922,688	4,361,536	4,800,384	5,239,232	5,678,081	6,116,929	6,555,777	
22.71%	2,173,914	2,173,914	2,173,914	2,173,914	2,173,914	2,614,102	3,054,291	3,494,479	3,934,667	4,374,856	4,815,044	5,255,233	5,695,421	6,135,610	6,575,798	
22.72%	2,180,566	2,180,566	2,180,566	2,180,566	2,180,566	2,622,102	3,063,638	3,505,173	3,946,709	4,388,244	4,829,780	5,271,315	5,712,851	6,154,367	6,595,922	
22.73%	2,187,253	2,187,253	2,187,253	2,187,253	2,187,253	2,630,143	3,073,033	3,515,922	3,958,812	4,401,702	4,844,591	5,287,481	5,730,370	6,173,260	6,616,150	
22.74%	2,193,975	2,193,975	2,193,975	2,193,975	2,193,975	2,638,226	3,082,476	3,526,727	3,970,978	4,415,228	4,859,479	5,303,730	5,747,980	6,192,231	6,636,481	
22.75%	2,200,731	2,200,731	2,200,731	2,200,731	2,200,731	2,646,350	3,091,969	3,537,587	3,983,206	4,428,825	4,874,444	5,320,062	5,765,681	6,211,300	6,656,918	
22.76%	2,207,523	2,207,523	2,207,523	2,207,523	2,207,523	2,654,517	3,101,510	3,548,504	3,995,498	4,442,492	4,889,486	5,336,480	5,783,474	6,230,468	6,677,461	
22.77%	2,214,349	2,214,349	2,214,349	2,214,349	2,214,349	2,662,726	3,111,102	3,559,478	4,007,854	4,456,230	4,904,606	5,352,963	5,801,359	6,249,735	6,698,111	
22.78%	2,221,212	2,221,212	2,221,212	2,221,212	2,221,212	2,670,977	3,120,743	3,570,509	4,020,274	4,470,040	4,919,806	5,369,572	5,819,337	6,269,103	6,718,869	
22.79%	2,228,110	2,228,110	2,228,110	2,228,110	2,228,110	2,679,272	3,130,435	3,581,597	4,032,760	4,483,922	4,935,085	5,386,247	5,837,410	6,288,572	6,739,735	
22.80%	2,235,044	2,235,044	2,235,044	2,235,044	2,235,044	2,687,611	3,140,177	3,592,744	4,045,310	4,497,877	4,950,443	5,403,010	5,855,577	6,308,143	6,760,710	
22.81%	2,242,015	2,242,015	2,242,015	2,242,015	2,242,015	2,695,993	3,149,971	3,603,949	4,057,927	4,511,905	4,965,883	5,419,861	5,873,839	6,327,817	6,781,795	
22.82%	2,249,022	2,249,022	2,249,022	2,249,022	2,249,022	2,704,419	3,159,816	3,615,213	4,070,610	4,526,007	4,981,404	5,436,801	5,892,198	6,347,595	6,802,992	
22.83%	2,256,067	2,256,067	2,256,067	2,256,067	2,256,067	2,712,890	3,169,713	3,626,537	4,083,360	4,540,183	4,997,007	5,453,830	5,910,653	6,367,477	6,824,300	
22.84%	2,263,148	2,263,148	2,263,148	2,263,148	2,263,148	2,721,406	3,179,663	3,637,920	4,096,178	4,554,345	5,012,692	5,470,950	5,929,207	6,387,464	6,845,722	
22.85%	2,270,268	2,270,268	2,270,268	2,270,268	2,270,268	2,729,967	3,189,665	3,649,364	4,109,063	4,568,762	5,028,461	5,488,160	5,947,859	6,407,558	6,867,257	
22.86%	2,277,425	2,277,425	2,277,425	2,277,425	2,277,425	2,738,573	3,199,721	3,660,869	4,122,017	4,583,166	5,044,314	5,505,462	5,966,610	6,427,758	6,888,906	
22.87%	2,284,620	2,284,620	2,284,620	2,284,620	2,284,620	2,747,226	3,209,831	3,672,436	4,135,041	4,597,646	5,060,251	5,522,856	5,985,461	6,448,066	6,910,672	
22.88%	2,291,854	2,291,854	2,291,854	2,291,854	2,291,854	2,755,924	3,219,994	3,684,064	4,148,134	4,612,204	5,076,274	5,540,344	6,004,413	6,468,483	6,932,553	
22.89%	2,299,127	2,299,127	2,299,127	2,299,127	2,299,127	2,764,670	3,230,212	3,695,755	4,161,297	4,626,840	5,092,382	5,557,925	6,023,467	6,489,010	6,954,552	
22.90%	2,306,439	2,306,439	2,306,439	2,306,439	2,306,439	2,773,462	3,240,485	3,707,508	4,174,531	4,641,555	5,108,578	5,575,601	6,042,624	6,509,647	6,976,670	
22.91%	2,313,790	2,313,790	2,313,790	2,313,790	2,313,790	2,782,302	3,250,814	3,719,325	4,187,837	4,656,349	5,124,860	5,593,372	6,061,884	6,530,395	6,998,907	
22.92%	2,321,182	2,321,182	2,321,182	2,321,182	2,321,182	2,791,190	3,261,198	3,731,206	4,201,215	4,671,223	5,141,231	5,611,239	6,081,248	6,551,256	7,021,264	
22.93%	2,328,613	2,328,613	2,328,613	2,328,613	2,328,613	2,800,126	3,271,639	3,743,152	4,214,665	4,686,178	5,157,691	5,629,204	6,100,717	6,572,230	7,043,743	
22.94%	2,336,084	2,336,084	2,336,084	2,336,084	2,336,084	2,809,110	3,282,136	3,755,162	4,228,186	4,701,214	5,174,240	5,648,266	6,120,292	6,593,317	7,066,343	
22.95%	2,343,597	2,343,597	2,343,597	2,343,597	2,343,597	2,818,144	3,292,691	3,767,238	4,241,785	4,716,332	5,190,879	5,665,426	6,139,973	6,614,520	7,089,067	
22.96%	2,351,150	2,351,150	2,351,150	2,351,150	2,351,150	2,827,227	3,303,303	3,779,380	4,255,457	4,731,533	5,207,610	5,683,686	6,159,763	6,635,839	7,111,916	
22.97%	2,358,745	2,358,745	2,358,745	2,358,745	2,358,745	2,836,360	3,313,974	3,791,589	4,269,203	4,746,817	5,224,432	5,702,046	6,179,661	6,657,275	7,134,889	
22.98%	2,366,382	2,366,382	2,366,382	2,366,382	2,366,382	2,845,543	3,324,703	3,803,864	4,283,025	4,762,186	5,241,346	5,720,507	6,199,668	6,678,829	7,157,989	
22.99%	2,374,061	2,374,061	2,374,061	2,374,061	2,374,061	2,854,776	3,335,492	3,816,208	4,296,923	4,777,639	5,258,354	5,739,070	6,219,786	6,700,501	7,181,217	

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
23.40%	2,729,998	2,729,998	2,729,998	2,729,998	2,729,998	3,282,786	3,935,575	4,388,363	4,941,151	5,493,939	6,046,727	6,599,516	7,152,304	7,705,092	8,257,880
23.41%	2,739,817	2,739,817	2,739,817	2,739,817	2,739,817	3,294,593	3,947,381	4,400,169	4,952,957	5,505,745	6,058,533	6,611,321	7,164,109	7,716,897	8,269,685
23.42%	2,749,697	2,749,697	2,749,697	2,749,697	2,749,697	3,304,417	3,957,205	4,410,000	4,962,788	5,515,576	6,068,364	6,621,152	7,173,940	7,726,728	8,279,516
23.43%	2,759,638	2,759,638	2,759,638	2,759,638	2,759,638	3,314,242	3,967,020	4,420,820	4,973,608	5,526,396	6,079,184	6,631,972	7,184,760	7,737,548	8,290,336
23.44%	2,769,643	2,769,643	2,769,643	2,769,643	2,769,643	3,324,067	3,976,845	4,430,645	4,983,427	5,536,218	6,088,999	6,641,791	7,195,587	7,748,375	8,299,124
23.45%	2,779,711	2,779,711	2,779,711	2,779,711	2,779,711	3,333,891	3,986,669	4,440,469	4,993,251	5,546,042	6,098,823	6,651,615	7,205,373	7,758,161	8,308,912
23.46%	2,789,842	2,789,842	2,789,842	2,789,842	2,789,842	3,343,715	3,996,493	4,450,293	5,003,075	5,555,866	6,108,647	6,661,431	7,215,161	7,767,949	8,318,700
23.47%	2,800,038	2,800,038	2,800,038	2,800,038	2,800,038	3,353,540	4,006,317	4,460,117	5,012,900	5,565,682	6,118,463	6,671,247	7,224,937	7,777,735	8,328,492
23.48%	2,810,299	2,810,299	2,810,299	2,810,299	2,810,299	3,363,364	4,016,141	4,470,000	5,022,724	5,575,506	6,128,287	6,681,031	7,234,727	7,787,523	8,338,284
23.49%	2,820,625	2,820,625	2,820,625	2,820,625	2,820,625	3,373,188	4,025,965	4,479,824	5,032,548	5,585,330	6,138,111	6,690,855	7,244,519	7,797,311	8,348,076
23.50%	2,831,018	2,831,018	2,831,018	2,831,018	2,831,018	3,383,012	4,035,789	4,489,648	5,042,372	5,595,154	6,147,935	6,700,680	7,254,311	7,807,100	8,357,868
23.51%	2,841,477	2,841,477	2,841,477	2,841,477	2,841,477	3,392,836	4,045,613	4,499,472	5,052,196	5,604,976	6,157,759	6,710,504	7,264,103	7,816,888	8,367,660
23.52%	2,852,005	2,852,005	2,852,005	2,852,005	2,852,005	3,402,660	4,055,437	4,509,296	5,062,020	5,614,800	6,167,583	6,720,278	7,273,901	7,826,680	8,377,452
23.53%	2,862,600	2,862,600	2,862,600	2,862,600	2,862,600	3,412,484	4,065,261	4,519,120	5,071,844	5,624,624	6,177,407	6,730,052	7,283,693	7,836,472	8,387,244
23.54%	2,873,264	2,873,264	2,873,264	2,873,264	2,873,264	3,422,308	4,075,085	4,528,944	5,081,668	5,634,448	6,187,231	6,740,826	7,293,485	7,846,264	8,397,036
23.55%	2,883,998	2,883,998	2,883,998	2,883,998	2,883,998	3,432,132	4,084,909	4,538,768	5,091,492	5,644,272	6,197,055	6,750,600	7,303,277	7,856,056	8,406,828
23.56%	2,894,802	2,894,802	2,894,802	2,894,802	2,894,802	3,441,956	4,094,733	4,548,592	5,101,316	5,654,096	6,206,879	6,760,374	7,313,069	7,865,848	8,416,620
23.57%	2,905,677	2,905,677	2,905,677	2,905,677	2,905,677	3,451,780	4,104,557	4,558,416	5,111,140	5,663,920	6,216,703	6,770,148	7,322,861	7,875,640	8,426,412
23.58%	2,916,624	2,916,624	2,916,624	2,916,624	2,916,624	3,461,604	4,114,381	4,568,240	5,120,964	5,673,744	6,226,527	6,780,922	7,332,653	7,885,432	8,436,204
23.59%	2,927,643	2,927,643	2,927,643	2,927,643	2,927,643	3,471,428	4,124,205	4,578,064	5,130,788	5,683,568	6,236,351	6,790,696	7,342,445	7,895,224	8,446,000
23.60%	2,938,735	2,938,735	2,938,735	2,938,735	2,938,735	3,481,252	4,134,029	4,587,888	5,140,612	5,693,392	6,246,175	6,800,470	7,352,237	7,905,016	8,455,792
23.61%	2,949,900	2,949,900	2,949,900	2,949,900	2,949,900	3,491,076	4,143,853	4,597,712	5,150,436	5,703,216	6,256,000	6,810,244	7,362,029	7,914,808	8,465,584
23.62%	2,961,141	2,961,141	2,961,141	2,961,141	2,961,141	3,500,900	4,153,677	4,607,536	5,160,260	5,713,040	6,265,824	6,820,018	7,371,821	7,924,600	8,475,376
23.63%	2,972,456	2,972,456	2,972,456	2,972,456	2,972,456	3,510,724	4,163,501	4,617,360	5,170,084	5,722,864	6,275,648	6,829,792	7,381,613	7,934,392	8,485,168
23.64%	2,983,848	2,983,848	2,983,848	2,983,848	2,983,848	3,520,548	4,173,325	4,627,184	5,180,908	5,732,688	6,285,472	6,839,566	7,391,405	7,944,184	8,494,960
23.65%	2,995,316	2,995,316	2,995,316	2,995,316	2,995,316	3,530,372	4,183,149	4,637,008	5,190,732	5,742,512	6,295,296	6,849,340	7,401,197	7,953,976	8,504,752
23.66%	3,006,862	3,006,862	3,006,862	3,006,862	3,006,862	3,540,196	4,192,973	4,646,832	5,200,556	5,752,336	6,305,120	6,859,114	7,411,000	7,963,768	8,514,544
23.67%	3,018,486	3,018,486	3,018,486	3,018,486	3,018,486	3,550,020	4,202,797	4,656,656	5,210,380	5,762,160	6,314,944	6,868,888	7,420,792	7,973,560	8,524,336
23.68%	3,030,190	3,030,190	3,030,190	3,030,190	3,030,190	3,559,844	4,212,621	4,666,480	5,220,204	5,772,084	6,324,768	6,878,662	7,430,584	7,983,352	8,534,128
23.69%	3,041,973	3,041,973	3,041,973	3,041,973	3,041,973	3,569,668	4,222,445	4,676,304	5,230,028	5,781,908	6,334,592	6,888,436	7,440,376	7,993,144	8,543,920
23.70%	3,053,838	3,053,838	3,053,838	3,053,838	3,053,838	3,579,492	4,232,269	4,686,128	5,239,852	5,791,732	6,344,416	6,898,210	7,450,168	7,999,936	8,553,712
23.71%	3,065,783	3,065,783	3,065,783	3,065,783	3,065,783	3,589,316	4,242,093	4,695,952	5,249,676	5,801,556	6,354,240	6,907,984	7,460,000	8,009,728	8,563,504
23.72%	3,077,812	3,077,812	3,077,812	3,077,812	3,077,812	3,599,140	4,251,917	4,705,776	5,259,500	5,811,380	6,364,064	6,917,758	7,469,792	8,019,520	8,573,296
23.73%	3,089,924	3,089,924	3,089,924	3,089,924	3,089,924	3,608,964	4,261,741	4,715,600	5,269,324	5,821,204	6,373,888	6,927,532	7,479,584	8,029,312	8,583,088
23.74%	3,102,119	3,102,119	3,102,119	3,102,119	3,102,119	3,618,788	4,271,565	4,725,424	5,279,148	5,831,028	6,383,712	6,937,306	7,489,376	8,039,104	8,592,880
23.75%	3,114,400	3,114,400	3,114,400	3,114,400	3,114,400	3,628,612	4,281,389	4,735,248	5,288,972	5,840,852	6,393,536	6,947,080	7,499,168	8,048,896	8,602,672
23.76%	3,126,767	3,126,767	3,126,767	3,126,767	3,126,767	3,638,436	4,291,213	4,745,072	5,298,796	5,850,676	6,403,360	6,956,854	7,508,960	8,058,688	8,612,464
23.77%	3,139,221	3,139,221	3,139,221	3,139,221	3,139,221	3,648,260	4,301,037	4,754,896	5,308,620	5,860,500	6,413,184	6,966,628	7,518,752	8,068,480	8,622,256
23.78%	3,151,763	3,151,763	3,151,763	3,151,763	3,151,763	3,658,084	4,310,861	4,764,720	5,318,444	5,870,324	6,423,008	6,976,402	7,528,544	8,078,272	8,632,048
23.79%	3,164,393	3,164,393	3,164,393	3,164,393	3,164,393	3,667,908	4,320,685	4,774,544	5,328,268	5,880,148	6,432,832	6,986,176	7,538,336	8,088,064	8,641,840

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
23.80%	3,177,113	3,177,113	3,177,113	3,177,113	3,177,113	3,820,436	4,463,759	5,107,082	5,750,405	6,393,728	7,037,051	7,680,374	8,323,697	8,967,020	9,610,343
23.81%	3,189,924	3,189,924	3,189,924	3,189,924	3,189,924	3,835,941	4,481,758	5,127,675	5,773,592	6,419,509	7,065,426	7,711,343	8,357,260	9,003,177	9,649,094
23.82%	3,202,826	3,202,826	3,202,826	3,202,826	3,202,826	3,851,356	4,498,885	5,148,474	5,796,945	6,445,474	7,094,004	7,742,533	8,391,063	9,039,592	9,688,122
23.83%	3,215,821	3,215,821	3,215,821	3,215,821	3,215,821	3,866,982	4,518,143	5,169,304	5,820,465	6,471,625	7,122,786	7,773,947	8,425,108	9,076,269	9,727,430
23.84%	3,228,910	3,228,910	3,228,910	3,228,910	3,228,910	3,882,721	4,536,532	5,190,343	5,844,154	6,497,965	7,151,776	7,805,587	8,459,399	9,113,210	9,767,021
23.85%	3,242,093	3,242,093	3,242,093	3,242,093	3,242,093	3,898,573	4,555,064	5,211,534	5,868,015	6,524,495	7,180,976	7,837,456	8,493,937	9,150,417	9,806,898
23.86%	3,255,372	3,255,372	3,255,372	3,255,372	3,255,372	3,914,541	4,573,710	5,232,879	5,892,049	6,551,218	7,210,387	7,869,557	8,528,726	9,187,895	9,847,064
23.87%	3,268,747	3,268,747	3,268,747	3,268,747	3,268,747	3,930,625	4,592,502	5,254,380	5,916,268	6,578,135	7,240,013	7,901,890	8,563,768	9,225,646	9,887,523
23.88%	3,282,220	3,282,220	3,282,220	3,282,220	3,282,220	3,946,826	4,611,432	5,276,038	5,940,643	6,605,249	7,269,855	7,934,461	8,599,066	9,263,672	9,928,278
23.89%	3,295,792	3,295,792	3,295,792	3,295,792	3,295,792	3,963,146	4,630,500	5,297,854	5,965,208	6,632,562	7,299,916	7,964,270	8,634,624	9,301,978	9,969,332
23.90%	3,309,464	3,309,464	3,309,464	3,309,464	3,309,464	3,979,587	4,649,709	5,319,831	5,989,953	6,660,076	7,330,198	8,000,320	8,670,443	9,340,565	10,010,687
23.91%	3,323,237	3,323,237	3,323,237	3,323,237	3,323,237	3,996,148	4,669,060	5,341,971	6,014,882	6,687,793	7,360,704	8,033,615	8,706,526	9,379,438	10,052,349
23.92%	3,337,112	3,337,112	3,337,112	3,337,112	3,337,112	4,012,833	4,688,584	5,364,274	6,039,995	6,715,716	7,391,436	8,067,157	8,742,878	9,418,598	10,094,319
23.93%	3,351,091	3,351,091	3,351,091	3,351,091	3,351,091	4,029,642	4,708,193	5,386,744	6,065,295	6,743,846	7,422,397	8,100,948	8,779,500	9,458,051	10,136,602
23.94%	3,365,174	3,365,174	3,365,174	3,365,174	3,365,174	4,046,576	4,727,979	5,409,382	6,090,784	6,772,187	7,453,590	8,134,992	8,816,395	9,497,798	10,179,200
23.95%	3,379,362	3,379,362	3,379,362	3,379,362	3,379,362	4,063,638	4,747,913	5,432,189	6,116,465	6,800,740	7,485,016	8,169,292	8,853,567	9,537,843	10,222,119
23.96%	3,393,657	3,393,657	3,393,657	3,393,657	3,393,657	4,080,828	4,767,998	5,455,168	6,142,338	6,829,509	7,516,679	8,203,849	8,891,019	9,578,190	10,265,360
23.97%	3,408,061	3,408,061	3,408,061	3,408,061	3,408,061	4,098,147	4,788,234	5,478,321	6,168,407	6,858,494	7,548,581	8,238,668	8,928,754	9,618,841	10,308,928
23.98%	3,422,573	3,422,573	3,422,573	3,422,573	3,422,573	4,115,598	4,808,624	5,501,649	6,194,674	6,887,700	7,580,725	8,273,750	8,966,776	9,659,801	10,352,826
23.99%	3,437,196	3,437,196	3,437,196	3,437,196	3,437,196	4,133,182	4,829,169	5,525,155	6,221,141	6,917,128	7,613,114	8,309,100	9,005,086	9,701,073	10,397,059
24.00%	3,451,931	3,451,931	3,451,931	3,451,931	3,451,931	4,150,901	4,849,871	5,548,841	6,247,810	6,946,780	7,645,750	8,344,720	9,043,690	9,742,660	10,441,630
24.01%	3,466,779	3,466,779	3,466,779	3,466,779	3,466,779	4,168,755	4,870,732	5,572,708	6,274,684	6,976,661	7,678,637	8,380,613	9,082,590	9,784,566	10,486,543
24.02%	3,481,741	3,481,741	3,481,741	3,481,741	3,481,741	4,186,747	4,891,763	5,596,759	6,301,765	7,006,771	7,711,777	8,416,783	9,121,789	9,826,795	10,531,801
24.03%	3,496,819	3,496,819	3,496,819	3,496,819	3,496,819	4,204,878	4,912,937	5,620,996	6,329,055	7,037,114	7,745,173	8,453,233	9,161,292	9,869,351	10,577,410
24.04%	3,512,014	3,512,014	3,512,014	3,512,014	3,512,014	4,223,150	4,934,285	5,645,421	6,356,557	7,067,693	7,778,829	8,489,965	9,201,101	9,912,237	10,623,372
24.05%	3,527,327	3,527,327	3,527,327	3,527,327	3,527,327	4,241,564	4,956,800	5,670,037	6,384,274	7,098,510	7,812,747	8,526,983	9,241,220	9,955,457	10,669,693
24.06%	3,542,760	3,542,760	3,542,760	3,542,760	3,542,760	4,260,122	4,977,483	5,694,845	6,412,207	7,129,588	7,846,930	8,584,291	9,321,653	10,060,015	10,716,376
24.07%	3,558,314	3,558,314	3,558,314	3,558,314	3,558,314	4,278,826	4,999,337	5,719,848	6,440,359	7,160,870	7,881,381	8,621,893	9,362,404	10,104,915	10,763,426
24.08%	3,573,991	3,573,991	3,573,991	3,573,991	3,573,991	4,297,677	5,021,362	5,745,048	6,468,733	7,192,419	7,916,105	8,659,790	9,363,476	10,108,161	10,810,947
24.09%	3,589,792	3,589,792	3,589,792	3,589,792	3,589,792	4,316,677	5,043,562	5,770,447	6,497,332	7,224,218	7,951,103	8,677,988	9,404,873	10,131,758	10,838,643
24.10%	3,605,719	3,605,719	3,605,719	3,605,719	3,605,719	4,335,829	5,065,939	5,796,049	6,526,159	7,256,219	7,986,379	8,716,489	9,446,599	10,176,708	10,906,818
24.11%	3,621,773	3,621,773	3,621,773	3,621,773	3,621,773	4,355,133	5,088,494	5,821,854	6,555,215	7,288,576	8,021,936	8,755,297	9,488,657	10,222,018	10,955,379
24.12%	3,637,955	3,637,955	3,637,955	3,637,955	3,637,955	4,374,592	5,111,229	5,847,867	6,584,504	7,321,141	8,057,779	8,794,416	9,531,053	10,267,690	11,004,328
24.13%	3,654,267	3,654,267	3,654,267	3,654,267	3,654,267	4,394,208	5,134,148	5,874,088	6,614,029	7,353,969	8,093,909	8,833,850	9,573,790	10,313,730	11,053,671
24.14%	3,670,711	3,670,711	3,670,711	3,670,711	3,670,711	4,413,982	5,157,252	5,900,522	6,643,792	7,387,062	8,130,332	8,873,602	9,616,872	10,360,142	11,103,412
24.15%	3,687,289	3,687,289	3,687,289	3,687,289	3,687,289	4,433,916	5,180,542	5,927,169	6,673,796	7,420,423	8,167,049	8,913,676	9,660,303	10,406,930	11,153,556
24.16%	3,704,001	3,704,001	3,704,001	3,704,001	3,704,001	4,454,012	5,204,023	5,954,034	6,704,045	7,454,055	8,204,066	8,954,077	9,704,088	10,454,098	11,204,109
24.17%	3,720,850	3,720,850	3,720,850	3,720,850	3,720,850	4,474,273	5,227,695	5,981,118	6,734,540	7,487,963	8,241,385	8,994,808	9,748,230	10,501,653	11,255,075
24.18%	3,737,838	3,737,838	3,737,838	3,737,838	3,737,838	4,494,700	5,251,562	6,008,426	6,765,266	7,522,149	8,273,011	9,035,873	9,792,735	10,549,597	11,306,460
24.19%	3,754,965	3,754,965	3,754,965	3,754,965	3,754,965	4,515,295	5,275,625	6,035,954	6,796,266	7,556,616	8,316,946	9,077,277	9,837,607	10,597,937	11,358,267

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
24.20%	3,772,234	3,772,234	3,772,234	3,772,234	3,772,234	4,556,061	5,299,888	6,063,715	6,827,542	7,591,369	8,355,196	9,119,023	9,882,850	10,646,677	11,410,504
24.21%	3,789,647	3,789,647	3,789,647	3,789,647	3,789,647	4,566,999	5,324,352	6,091,705	6,859,058	7,626,411	8,393,763	9,161,116	9,928,469	10,695,822	11,463,175
24.22%	3,807,204	3,807,204	3,807,204	3,807,204	3,807,204	4,578,112	5,348,021	6,119,929	6,890,837	7,661,745	8,433,653	9,205,561	9,977,469	10,749,377	11,516,285
24.23%	3,824,909	3,824,909	3,824,909	3,824,909	3,824,909	4,589,402	5,373,896	6,148,389	6,924,882	7,697,375	8,471,868	9,246,361	10,020,854	10,795,347	11,569,840
24.24%	3,842,763	3,842,763	3,842,763	3,842,763	3,842,763	4,602,872	5,398,980	6,177,088	6,955,196	7,733,305	8,511,413	9,289,521	10,067,629	10,845,738	11,623,846
24.25%	3,860,768	3,860,768	3,860,768	3,860,768	3,860,768	4,624,522	5,424,276	6,206,030	6,987,784	7,769,538	8,551,292	9,333,046	10,114,800	10,896,554	11,678,308
24.26%	3,878,926	3,878,926	3,878,926	3,878,926	3,878,926	4,646,357	5,449,787	6,235,218	7,020,649	7,806,079	8,591,510	9,376,941	10,162,371	10,947,802	11,733,233
24.27%	3,897,238	3,897,238	3,897,238	3,897,238	3,897,238	4,668,377	5,475,516	6,264,654	7,053,793	7,842,932	8,632,070	9,421,209	10,210,348	10,999,486	11,788,625
24.28%	3,915,707	3,915,707	3,915,707	3,915,707	3,915,707	4,708,586	5,501,464	6,294,343	7,087,221	7,880,100	8,672,978	9,465,856	10,258,735	11,051,613	11,844,492
24.29%	3,934,335	3,934,335	3,934,335	3,934,335	3,934,335	4,730,986	5,527,636	6,324,286	7,120,937	7,917,587	8,714,237	9,510,888	10,307,538	11,104,188	11,900,839
24.30%	3,953,124	3,953,124	3,953,124	3,953,124	3,953,124	4,753,579	5,554,034	6,354,488	7,154,943	7,955,398	8,755,853	9,556,307	10,356,762	11,157,217	11,957,672
24.31%	3,972,076	3,972,076	3,972,076	3,972,076	3,972,076	4,776,368	5,580,660	6,384,952	7,189,244	7,993,537	8,797,829	9,602,121	10,406,413	11,210,706	12,014,998
24.32%	3,991,192	3,991,192	3,991,192	3,991,192	3,991,192	4,799,355	5,607,518	6,415,681	7,223,845	8,032,008	8,840,171	9,648,334	10,456,497	11,264,660	12,072,823
24.33%	4,010,476	4,010,476	4,010,476	4,010,476	4,010,476	4,822,544	5,634,612	6,446,679	7,258,747	8,070,815	8,882,883	9,694,951	10,507,018	11,319,086	12,131,154
24.34%	4,029,929	4,029,929	4,029,929	4,029,929	4,029,929	4,845,936	5,661,943	6,477,950	7,293,956	8,109,963	8,925,970	9,741,977	10,557,984	11,373,991	12,189,997
24.35%	4,049,554	4,049,554	4,049,554	4,049,554	4,049,554	4,869,535	5,689,515	6,509,496	7,329,476	8,149,457	8,969,438	9,789,418	10,609,399	11,429,379	12,249,360
24.36%	4,069,353	4,069,353	4,069,353	4,069,353	4,069,353	4,893,342	5,717,332	6,541,322	7,365,311	8,189,301	9,013,290	9,837,280	10,661,269	11,485,259	12,309,249
24.37%	4,089,328	4,089,328	4,089,328	4,089,328	4,089,328	4,917,362	5,745,396	6,573,431	7,401,465	8,229,499	9,057,533	9,885,568	10,713,602	11,541,636	12,369,670
24.38%	4,109,481	4,109,481	4,109,481	4,109,481	4,109,481	4,941,596	5,773,712	6,605,827	7,437,942	8,270,957	9,102,172	9,934,287	10,766,402	11,598,517	12,430,632
24.39%	4,129,816	4,129,816	4,129,816	4,129,816	4,129,816	4,966,049	5,802,281	6,638,514	7,474,746	8,310,979	9,147,212	9,983,444	10,819,677	11,655,909	12,492,142
24.40%	4,150,334	4,150,334	4,150,334	4,150,334	4,150,334	4,990,721	5,831,109	6,671,496	7,511,883	8,352,270	9,192,657	10,033,045	10,873,432	11,713,819	12,554,206
24.41%	4,171,038	4,171,038	4,171,038	4,171,038	4,171,038	5,015,618	5,860,197	6,704,777	7,549,356	8,393,936	9,238,515	10,083,095	10,927,674	11,772,254	12,616,633
24.42%	4,191,931	4,191,931	4,191,931	4,191,931	4,191,931	5,040,741	5,889,551	6,738,361	7,587,171	8,435,981	9,284,791	10,133,601	10,982,411	11,831,221	12,680,031
24.43%	4,213,014	4,213,014	4,213,014	4,213,014	4,213,014	5,066,094	5,919,173	6,772,252	7,625,331	8,478,410	9,331,489	10,184,568	11,037,647	11,890,727	12,743,906
24.44%	4,234,292	4,234,292	4,234,292	4,234,292	4,234,292	5,091,679	5,949,067	6,806,454	7,663,842	8,521,229	9,378,617	10,236,004	11,093,392	11,950,779	12,808,167
24.45%	4,255,766	4,255,766	4,255,766	4,255,766	4,255,766	5,117,501	5,979,237	6,840,973	7,702,708	8,564,444	9,428,180	10,287,915	11,149,651	12,011,387	12,873,122
24.46%	4,277,438	4,277,438	4,277,438	4,277,438	4,277,438	5,143,563	6,008,687	6,875,811	7,741,935	8,608,059	9,474,183	10,340,307	11,206,431	12,072,556	12,938,680
24.47%	4,299,313	4,299,313	4,299,313	4,299,313	4,299,313	5,169,867	6,040,420	6,910,974	7,781,527	8,652,081	9,522,634	10,393,188	11,263,741	12,134,295	13,004,848
24.48%	4,321,393	4,321,393	4,321,393	4,321,393	4,321,393	5,196,417	6,071,441	6,946,466	7,821,490	8,696,514	9,571,539	10,446,563	11,321,587	12,196,611	13,071,636
24.49%	4,343,680	4,343,680	4,343,680	4,343,680	4,343,680	5,223,217	6,102,754	6,982,291	7,861,829	8,741,366	9,620,903	10,500,440	11,379,977	12,259,514	13,139,052
24.50%	4,366,178	4,366,178	4,366,178	4,366,178	4,366,178	5,250,270	6,134,363	7,018,456	7,902,548	8,786,641	9,670,734	10,554,826	11,438,919	12,323,012	13,207,104
24.51%	4,388,889	4,388,889	4,388,889	4,388,889	4,388,889	5,277,580	6,166,272	7,054,963	7,943,655	8,832,346	9,721,037	10,609,729	11,498,420	12,387,112	13,275,803
24.52%	4,411,817	4,411,817	4,411,817	4,411,817	4,411,817	5,305,151	6,198,485	7,091,819	7,985,153	8,878,487	9,771,821	10,665,155	11,558,489	12,451,823	13,346,157
24.53%	4,434,965	4,434,965	4,434,965	4,434,965	4,434,965	5,332,986	6,231,007	7,129,028	8,027,049	8,925,070	9,823,091	10,721,113	11,619,134	12,517,155	13,415,176
24.54%	4,458,335	4,458,335	4,458,335	4,458,335	4,458,335	5,361,089	6,263,842	7,166,595	8,063,349	8,972,102	9,874,856	10,777,609	11,680,362	12,583,116	13,486,969
24.55%	4,481,932	4,481,932	4,481,932	4,481,932	4,481,932	5,389,464	6,296,995	7,204,526	8,112,058	9,019,589	9,927,121	10,834,652	11,742,183	12,649,715	13,559,246
24.56%	4,505,758	4,505,758	4,505,758	4,505,758	4,505,758	5,418,114	6,330,470	7,242,826	8,155,182	9,067,538	9,979,894	10,892,250	11,804,606	12,716,962	13,629,317
24.57%	4,529,818	4,529,818	4,529,818	4,529,818	4,529,818	5,447,045	6,368,273	7,281,500	8,198,728	9,115,955	10,033,183	10,950,410	11,867,638	12,784,865	13,702,093
24.58%	4,554,113	4,554,113	4,554,113	4,554,113	4,554,113	5,476,260	6,398,407	7,320,554	8,242,701	9,164,848	10,086,995	11,009,142	11,931,289	12,853,436	13,776,583
24.59%	4,578,648	4,578,648	4,578,648	4,578,648	4,578,648	5,505,763	6,432,878	7,359,993	8,287,108	9,214,223	10,141,338	11,068,453	11,995,568	12,922,663	13,849,799

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	Relevant Minimum Fee mentioned in Section 4(b)(i)														
Royalty Percentage	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
24.60%	4,603,426	4,603,426	4,603,426	4,603,426	4,603,426	5,555,559	6,467,691	7,399,823	8,331,956	9,264,088	10,196,220	11,128,353	12,060,485	12,992,618	13,924,750
24.61%	4,628,452	4,628,452	4,628,452	4,628,452	4,628,452	5,565,651	6,502,851	7,440,051	8,377,250	9,314,450	10,251,650	11,188,849	12,126,049	13,063,249	14,000,448
24.62%	4,653,728	4,653,728	4,653,728	4,653,728	4,653,728	5,596,045	6,538,363	7,480,681	8,422,999	9,365,316	10,307,634	11,249,952	12,192,269	13,134,587	14,076,905
24.63%	4,679,258	4,679,258	4,679,258	4,679,258	4,679,258	5,626,745	6,574,233	7,521,720	8,469,207	9,416,695	10,364,182	11,311,669	12,259,156	13,206,644	14,154,131
24.64%	4,705,047	4,705,047	4,705,047	4,705,047	4,705,047	5,657,756	6,610,465	7,563,174	8,515,884	9,468,593	10,421,302	11,374,011	12,326,720	13,279,429	14,232,139
24.65%	4,731,098	4,731,098	4,731,098	4,731,098	4,731,098	5,689,028	6,647,066	7,605,050	8,563,035	9,521,019	10,479,003	11,436,987	12,394,971	13,352,955	14,310,939
24.66%	4,757,415	4,757,415	4,757,415	4,757,415	4,757,415	5,720,728	6,684,041	7,647,354	8,610,667	9,573,980	10,537,293	11,500,607	12,463,920	13,427,233	14,390,546
24.67%	4,784,003	4,784,003	4,784,003	4,784,003	4,784,003	5,752,700	6,721,396	7,690,093	8,658,790	9,627,486	10,596,183	11,564,880	12,533,576	13,502,273	14,470,970
24.68%	4,810,865	4,810,865	4,810,865	4,810,865	4,810,865	5,785,001	6,759,137	7,733,273	8,707,409	9,681,545	10,655,681	11,629,817	12,603,952	13,578,088	14,552,224
24.69%	4,838,006	4,838,006	4,838,006	4,838,006	4,838,006	5,817,638	6,797,269	7,776,901	8,756,533	9,736,164	10,715,796	11,695,428	12,675,059	13,654,691	14,634,322
24.70%	4,865,430	4,865,430	4,865,430	4,865,430	4,865,430	5,850,615	6,835,800	7,820,984	8,806,169	9,791,354	10,776,538	11,761,723	12,746,908	13,732,092	14,717,277
24.71%	4,893,142	4,893,142	4,893,142	4,893,142	4,893,142	5,883,938	6,874,734	7,865,530	8,856,326	9,847,122	10,837,918	11,828,714	12,819,510	13,810,306	14,801,102
24.72%	4,921,146	4,921,146	4,921,146	4,921,146	4,921,146	5,917,613	6,914,079	7,910,546	8,907,012	9,903,478	10,899,945	11,896,411	12,892,878	13,889,344	14,885,811
24.73%	4,949,447	4,949,447	4,949,447	4,949,447	4,949,447	5,951,644	6,953,841	7,956,038	8,958,235	9,960,432	10,962,629	11,964,826	12,967,023	13,969,220	14,971,417
24.74%	4,978,050	4,978,050	4,978,050	4,978,050	4,978,050	5,986,039	6,994,027	8,002,016	9,010,004	10,017,993	11,025,982	12,033,970	13,041,959	14,049,947	15,057,936
24.75%	5,006,959	5,006,959	5,006,959	5,006,959	5,006,959	6,020,801	7,034,644	8,048,486	9,062,328	10,076,170	11,090,013	12,103,855	13,117,697	14,131,540	15,145,382
24.76%	5,036,179	5,036,179	5,036,179	5,036,179	5,036,179	6,055,938	7,075,697	8,095,456	9,115,215	10,134,975	11,154,734	12,174,493	13,194,252	14,214,011	15,233,770
24.77%	5,065,716	5,065,716	5,065,716	5,065,716	5,065,716	6,091,456	7,117,196	8,142,936	9,168,676	10,194,415	11,220,155	12,245,895	13,271,635	14,297,375	15,323,115
24.78%	5,095,575	5,095,575	5,095,575	5,095,575	5,095,575	6,127,360	7,159,146	8,190,932	9,222,718	10,254,504	11,286,289	12,318,075	13,349,861	14,381,647	15,413,433
24.79%	5,125,760	5,125,760	5,125,760	5,125,760	5,125,760	6,163,658	7,201,556	8,239,454	9,277,352	10,315,250	11,353,148	12,391,046	13,428,943	14,466,841	15,504,739
24.80%	5,156,278	5,156,278	5,156,278	5,156,278	5,156,278	6,200,355	7,244,432	8,288,510	9,332,587	10,376,664	11,420,742	12,464,819	13,508,896	14,552,974	15,597,051
24.81%	5,187,133	5,187,133	5,187,133	5,187,133	5,187,133	6,237,458	7,287,784	8,338,109	9,388,434	10,438,759	11,489,084	12,539,409	13,589,735	14,640,060	15,690,385
24.82%	5,218,332	5,218,332	5,218,332	5,218,332	5,218,332	6,274,975	7,331,617	8,388,260	9,444,902	10,501,545	11,558,187	12,614,830	13,671,472	14,728,115	15,784,758
24.83%	5,249,880	5,249,880	5,249,880	5,249,880	5,249,880	6,312,911	7,375,942	8,438,972	9,502,003	10,565,033	11,628,064	12,691,095	13,754,125	14,817,156	15,880,187
24.84%	5,281,784	5,281,784	5,281,784	5,281,784	5,281,784	6,351,274	7,420,765	8,490,255	9,569,746	10,639,237	11,698,727	12,768,218	13,837,709	14,907,199	15,976,690
24.85%	5,314,048	5,314,048	5,314,048	5,314,048	5,314,048	6,390,072	7,466,096	8,542,119	9,618,143	10,694,167	11,770,190	12,846,214	13,922,238	14,998,262	16,074,285
24.86%	5,346,680	5,346,680	5,346,680	5,346,680	5,346,680	6,429,311	7,511,942	8,594,574	9,677,205	10,759,836	11,842,467	12,925,098	14,007,730	15,090,361	16,172,992
24.87%	5,379,685	5,379,685	5,379,685	5,379,685	5,379,685	6,469,000	7,558,314	8,647,628	9,736,943	10,826,257	11,915,572	13,004,886	14,094,200	15,183,515	16,272,829
24.88%	5,413,071	5,413,071	5,413,071	5,413,071	5,413,071	6,509,145	7,605,220	8,701,294	9,797,369	10,893,443	11,989,518	13,085,592	14,181,667	15,277,741	16,373,816
24.89%	5,446,843	5,446,843	5,446,843	5,446,843	5,446,843	6,549,756	7,652,669	8,755,582	9,859,495	10,961,407	12,064,320	13,167,233	14,270,146	15,373,059	16,476,972
24.90%	5,481,008	5,481,008	5,481,008	5,481,008	5,481,008	6,590,839	7,700,670	8,810,501	9,920,332	11,039,163	12,139,994	13,249,825	14,359,656	15,469,487	16,579,318
24.91%	5,515,574	5,515,574	5,515,574	5,515,574	5,515,574	6,632,405	7,749,235	8,866,065	9,982,895	11,099,725	12,216,555	13,333,386	14,450,216	15,567,046	16,683,876
24.92%	5,550,548	5,550,548	5,550,548	5,550,548	5,550,548	6,674,460	7,798,371	8,922,283	10,046,195	11,170,107	12,294,019	13,417,930	14,541,842	15,665,754	16,789,666
24.93%	5,585,936	5,585,936	5,585,936	5,585,936	5,585,936	6,717,013	7,848,091	8,979,168	10,110,246	11,241,323	12,372,400	13,503,478	14,634,555	15,765,633	16,896,710
24.94%	5,621,746	5,621,746	5,621,746	5,621,746	5,621,746	6,756,332	7,899,403	9,036,732	10,175,060	11,313,389	12,451,717	13,590,046	14,728,374	15,866,703	17,005,031
24.95%	5,657,986	5,657,986	5,657,986	5,657,986	5,657,986	6,803,653	7,949,403	9,094,986	10,240,652	11,386,319	12,531,986	13,677,652	14,823,319	15,968,985	17,114,652
24.96%	5,694,663	5,694,663	5,694,663	5,694,663	5,694,663	6,847,757	8,000,850	9,153,943	10,307,037	11,460,130	12,613,223	13,766,316	14,919,410	16,072,503	17,225,596
24.97%	5,731,786	5,731,786	5,731,786	5,731,786	5,731,786	6,892,396	8,053,007	9,213,617	10,374,227	11,534,837	12,695,447	13,856,057	15,016,668	16,177,278	17,337,888
24.98%	5,769,363	5,769,363	5,769,363	5,769,363	5,769,363	6,937,582	8,105,801	9,274,019	10,442,238	11,610,457	12,778,676	13,946,895	15,115,114	16,283,333	17,451,552
24.99%	5,807,401	5,807,401	5,807,401	5,807,401	5,807,401	6,983,322	8,159,244	9,335,165	10,511,086	11,687,007	12,862,928	14,038,849	15,214,771	16,390,692	17,566,613

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
25.00%	5,845,910	5,845,910	5,845,910	5,845,910	5,845,910	7,029,629	8,213,348	9,397,066	10,580,785	11,764,504	12,948,223	14,131,941	15,315,660	16,499,379	17,683,097
25.01%	5,884,899	5,884,899	5,884,899	5,884,899	5,884,899	7,076,512	8,268,125	9,451,843	10,635,556	11,819,269	13,002,982	14,186,695	15,370,408	16,554,121	17,737,834
25.02%	5,924,375	5,924,375	5,924,375	5,924,375	5,924,375	7,123,396	8,315,009	9,508,727	10,702,440	11,896,153	13,089,866	14,283,579	15,477,292	16,671,005	17,864,718
25.03%	5,964,349	5,964,349	5,964,349	5,964,349	5,964,349	7,170,280	8,377,893	9,571,611	10,765,324	11,959,037	13,152,750	14,346,463	15,540,176	16,733,889	17,927,602
25.04%	6,004,831	6,004,831	6,004,831	6,004,831	6,004,831	7,217,164	8,485,777	9,679,495	10,873,208	12,066,921	13,260,634	14,454,347	15,648,060	16,841,773	18,035,486
25.05%	6,045,829	6,045,829	6,045,829	6,045,829	6,045,829	7,264,048	8,545,961	9,739,679	10,933,392	12,127,105	13,320,818	14,514,531	15,708,244	16,901,957	18,095,670
25.06%	6,087,354	6,087,354	6,087,354	6,087,354	6,087,354	7,310,932	8,587,845	9,781,563	10,975,276	12,169,000	13,362,713	14,556,426	15,750,139	16,943,852	18,137,565
25.07%	6,129,415	6,129,415	6,129,415	6,129,415	6,129,415	7,357,816	8,634,728	9,828,446	11,022,159	12,215,872	13,409,585	14,603,298	15,797,011	16,990,724	18,184,437
25.08%	6,172,025	6,172,025	6,172,025	6,172,025	6,172,025	7,404,700	8,681,610	9,875,328	11,069,041	12,262,754	13,456,467	14,650,180	15,843,893	17,037,606	18,231,319
25.09%	6,215,192	6,215,192	6,215,192	6,215,192	6,215,192	7,451,584	8,728,496	9,922,214	11,116,927	12,310,640	13,504,353	14,698,066	15,891,779	17,085,492	18,279,205
25.10%	6,258,928	6,258,928	6,258,928	6,258,928	6,258,928	7,500,000	8,796,912	9,990,630	11,186,543	12,380,256	13,573,969	14,767,682	15,961,395	17,155,108	18,348,821
25.11%	6,303,245	6,303,245	6,303,245	6,303,245	6,303,245	7,548,416	8,845,328	10,039,046	11,232,759	12,426,472	13,620,185	14,813,898	16,007,611	17,201,324	18,395,037
25.12%	6,348,155	6,348,155	6,348,155	6,348,155	6,348,155	7,596,929	8,894,340	10,087,960	11,281,673	12,475,386	13,669,099	14,862,812	16,056,525	17,250,238	18,443,951
25.13%	6,393,668	6,393,668	6,393,668	6,393,668	6,393,668	7,645,441	8,945,352	10,138,972	11,333,685	12,528,398	13,723,111	14,917,824	16,112,537	17,307,250	18,501,963
25.14%	6,439,798	6,439,798	6,439,798	6,439,798	6,439,798	7,696,542	9,000,364	10,193,976	11,388,689	12,583,402	13,778,115	14,972,828	16,167,541	17,362,254	18,556,967
25.15%	6,486,556	6,486,556	6,486,556	6,486,556	6,486,556	7,748,043	9,058,376	10,252,988	11,447,701	12,642,414	13,837,127	15,031,840	16,226,553	17,421,266	18,615,979
25.16%	6,533,957	6,533,957	6,533,957	6,533,957	6,533,957	7,800,544	9,117,388	10,312,000	11,506,713	12,701,426	13,896,139	15,090,852	16,285,565	17,480,278	18,674,991
25.17%	6,582,013	6,582,013	6,582,013	6,582,013	6,582,013	7,853,045	9,176,800	10,371,412	11,566,125	12,760,838	13,955,551	15,150,264	16,344,977	17,539,690	18,734,403
25.18%	6,630,738	6,630,738	6,630,738	6,630,738	6,630,738	7,906,146	9,236,212	10,430,824	11,625,537	12,820,250	14,014,963	15,209,676	16,404,389	17,599,102	18,793,815
25.19%	6,680,146	6,680,146	6,680,146	6,680,146	6,680,146	7,960,247	9,301,624	10,496,236	11,690,949	12,885,662	14,080,375	15,275,088	16,469,801	17,664,514	18,859,227
25.20%	6,730,252	6,730,252	6,730,252	6,730,252	6,730,252	8,016,349	9,377,736	10,572,348	11,767,061	12,961,774	14,156,487	15,351,200	16,545,913	17,740,626	18,935,339
25.21%	6,781,069	6,781,069	6,781,069	6,781,069	6,781,069	8,072,450	9,433,948	10,628,560	11,823,273	13,017,986	14,212,699	15,407,412	16,602,125	17,796,838	18,991,551
25.22%	6,832,615	6,832,615	6,832,615	6,832,615	6,832,615	8,128,151	9,490,556	10,685,168	11,880,881	13,075,594	14,270,307	15,465,020	16,659,733	17,854,446	19,049,159
25.23%	6,884,904	6,884,904	6,884,904	6,884,904	6,884,904	8,183,252	9,547,164	10,741,776	11,936,489	13,130,201	14,324,914	15,519,627	16,714,340	17,909,053	19,103,766
25.24%	6,937,952	6,937,952	6,937,952	6,937,952	6,937,952	8,238,353	9,603,772	10,796,384	11,991,097	13,184,812	14,379,525	15,574,238	16,768,951	17,963,664	19,158,377
25.25%	6,991,777	6,991,777	6,991,777	6,991,777	6,991,777	8,293,454	9,660,061	10,851,673	12,046,385	13,241,098	14,435,811	15,630,524	16,825,237	18,019,950	19,214,663
25.26%	7,046,395	7,046,395	7,046,395	7,046,395	7,046,395	8,348,555	9,717,168	10,877,780	12,081,486	13,276,199	14,470,912	15,665,625	16,860,338	18,055,051	19,249,764
25.27%	7,101,825	7,101,825	7,101,825	7,101,825	7,101,825	8,403,656	9,774,279	10,930,891	12,136,587	13,331,300	14,526,013	15,720,726	16,915,439	18,110,152	19,304,865
25.28%	7,158,083	7,158,083	7,158,083	7,158,083	7,158,083	8,459,757	9,830,380	10,986,992	12,191,688	13,386,401	14,581,114	15,775,827	16,970,540	18,165,253	19,359,966
25.29%	7,215,190	7,215,190	7,215,190	7,215,190	7,215,190	8,515,858	9,890,481	11,042,093	12,246,789	13,441,502	14,636,215	15,830,928	17,025,641	18,220,354	19,415,067
25.30%	7,273,164	7,273,164	7,273,164	7,273,164	7,273,164	8,571,959	9,947,582	11,097,694	12,301,890	13,496,603	14,691,316	15,886,029	17,080,742	18,275,455	19,470,168
25.31%	7,332,025	7,332,025	7,332,025	7,332,025	7,332,025	8,630,060	10,004,684	11,101,796	12,306,991	13,501,804	14,696,517	15,891,230	17,085,943	18,280,656	19,475,369
25.32%	7,391,795	7,391,795	7,391,795	7,391,795	7,391,795	8,688,161	10,062,795	11,160,907	12,362,102	13,556,915	14,751,628	15,946,341	17,141,054	18,335,767	19,530,480
25.33%	7,452,493	7,452,493	7,452,493	7,452,493	7,452,493	8,746,262	10,123,906	11,182,018	12,383,213	13,578,026	14,772,739	15,967,452	17,162,162	18,356,875	19,551,588
25.34%	7,514,142	7,514,142	7,514,142	7,514,142	7,514,142	8,804,363	10,186,017	11,203,129	12,404,328	13,609,141	14,803,854	16,008,567	17,203,280	18,397,993	19,592,706
25.35%	7,576,764	7,576,764	7,576,764	7,576,764	7,576,764	8,862,464	10,249,128	11,264,240	12,465,439	13,660,252	14,854,965	16,049,678	17,244,391	18,439,104	19,633,817
25.36%	7,640,383	7,640,383	7,640,383	7,640,383	7,640,383	8,920,565	10,313,239	11,325,351	12,526,550	13,721,263	14,915,976	16,110,689	17,305,402	18,499,115	19,693,828
25.37%	7,705,023	7,705,023	7,705,023	7,705,023	7,705,023	8,978,666	10,377,340	11,386,462	12,587,651	13,782,364	14,977,077	16,170,790	17,365,503	18,560,216	19,754,929
25.38%	7,770,708	7,770,708	7,770,708	7,770,708	7,770,708	9,036,767	10,441,451	11,447,563	12,648,752	13,843,465	15,038,178	16,232,891	17,427,604	18,622,317	19,817,030
25.39%	7,837,463	7,837,463	7,837,463	7,837,463	7,837,463	9,096,868	10,506,552	11,512,664	12,709,853	13,904,566	15,109,279	16,303,992	17,498,705	18,693,418	19,888,131

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
25.40%	7,905,316	7,905,316	7,905,316	7,905,316	7,905,316	9,506,037	11,106,756	12,707,479	14,308,200	15,908,921	17,509,642	19,110,363	20,711,084	22,311,805	23,912,526
25.41%	7,974,294	7,974,294	7,974,294	7,974,294	7,974,294	9,588,982	11,189,701	12,790,424	14,391,146	15,991,867	17,592,588	19,193,309	20,794,030	22,394,751	24,000,472
25.42%	8,044,424	8,044,424	8,044,424	8,044,424	8,044,424	9,673,313	11,280,201	12,880,924	14,481,646	16,082,367	17,683,088	19,283,809	20,884,530	22,485,251	24,090,972
25.43%	8,115,736	8,115,736	8,115,736	8,115,736	8,115,736	9,759,065	11,371,089	12,971,812	14,572,534	16,173,255	17,773,976	19,374,697	20,975,418	22,576,139	24,181,860
25.44%	8,188,261	8,188,261	8,188,261	8,188,261	8,188,261	9,846,274	11,462,073	13,062,796	14,663,517	16,264,238	17,864,959	19,465,680	21,066,401	22,667,122	24,272,843
25.45%	8,262,028	8,262,028	8,262,028	8,262,028	8,262,028	9,934,979	11,553,067	13,153,790	14,754,511	16,355,232	17,955,953	19,556,674	21,157,395	22,758,116	24,363,837
25.46%	8,337,071	8,337,071	8,337,071	8,337,071	8,337,071	10,025,217	11,644,055	13,244,778	14,845,499	16,446,220	18,046,941	19,647,662	21,248,383	22,849,104	24,454,825
25.47%	8,413,423	8,413,423	8,413,423	8,413,423	8,413,423	10,117,028	11,735,043	13,335,766	14,936,487	16,537,208	18,137,929	19,738,650	21,339,371	22,940,092	24,545,813
25.48%	8,491,118	8,491,118	8,491,118	8,491,118	8,491,118	10,209,839	11,826,854	13,426,577	15,027,298	16,628,019	18,228,740	19,829,461	21,430,182	23,030,903	24,631,624
25.49%	8,570,192	8,570,192	8,570,192	8,570,192	8,570,192	10,303,650	11,916,664	13,517,389	15,116,708	16,717,429	18,318,150	19,918,871	21,519,592	23,120,313	24,721,034
25.50%	8,650,682	8,650,682	8,650,682	8,650,682	8,650,682	10,402,330	12,006,474	13,607,207	15,207,226	16,807,947	18,408,668	20,009,389	21,610,110	23,210,831	24,811,552
25.51%	8,732,627	8,732,627	8,732,627	8,732,627	8,732,627	10,500,867	12,101,288	13,702,021	15,302,040	16,902,761	18,503,482	20,104,203	21,704,924	23,305,645	24,906,366
25.52%	8,816,066	8,816,066	8,816,066	8,816,066	8,816,066	10,601,202	12,202,103	13,802,836	15,403,059	17,003,780	18,604,501	20,205,222	21,805,943	23,406,664	25,007,385
25.53%	8,901,041	8,901,041	8,901,041	8,901,041	8,901,041	10,703,382	12,303,217	13,904,050	15,504,068	17,104,789	18,705,510	20,306,231	21,906,952	23,507,673	25,108,394
25.54%	8,987,594	8,987,594	8,987,594	8,987,594	8,987,594	10,804,496	12,404,331	14,005,164	15,606,182	17,206,903	18,807,624	20,408,345	22,009,066	23,609,787	25,210,508
25.55%	9,075,770	9,075,770	9,075,770	9,075,770	9,075,770	10,905,602	12,505,442	14,106,275	15,707,290	17,308,011	18,908,732	20,509,453	22,110,174	23,710,895	25,311,619
25.56%	9,165,614	9,165,614	9,165,614	9,165,614	9,165,614	11,006,717	12,606,553	14,207,386	15,808,404	17,409,125	19,009,846	20,610,567	22,211,288	23,812,009	25,412,730
25.57%	9,257,175	9,257,175	9,257,175	9,257,175	9,257,175	11,107,828	12,707,664	14,308,497	15,909,512	17,510,233	19,110,954	20,711,675	22,312,396	23,913,117	25,513,831
25.58%	9,350,503	9,350,503	9,350,503	9,350,503	9,350,503	11,208,939	12,808,775	14,409,608	16,010,623	17,611,344	19,212,065	20,812,786	22,413,507	24,014,228	25,614,942
25.59%	9,445,649	9,445,649	9,445,649	9,445,649	9,445,649	11,310,049	12,909,886	14,510,719	16,111,734	17,712,455	19,313,176	20,913,897	22,514,618	24,115,339	25,716,053
25.60%	9,542,666	9,542,666	9,542,666	9,542,666	9,542,666	11,411,160	13,010,997	14,611,850	16,212,849	17,813,570	19,414,291	21,015,012	22,615,733	24,216,454	25,817,165
25.61%	9,641,610	9,641,610	9,641,610	9,641,610	9,641,610	11,512,271	13,112,108	14,712,961	16,313,858	17,914,579	19,515,300	21,116,021	22,716,742	24,317,463	25,918,274
25.62%	9,742,540	9,742,540	9,742,540	9,742,540	9,742,540	11,613,382	13,213,219	14,814,072	16,414,965	18,015,686	19,616,407	21,217,128	22,817,849	24,418,570	26,019,381
25.63%	9,845,515	9,845,515	9,845,515	9,845,515	9,845,515	11,714,493	13,314,329	14,914,983	16,515,858	18,116,579	19,717,300	21,318,021	22,918,742	24,519,463	26,120,492
25.64%	9,950,599	9,950,599	9,950,599	9,950,599	9,950,599	11,815,604	13,415,440	15,016,094	16,616,953	18,217,684	19,818,405	21,419,126	23,019,847	24,620,568	26,221,603
25.65%	10,057,857	10,057,857	10,057,857	10,057,857	10,057,857	11,916,715	13,516,551	15,117,205	16,717,998	18,318,729	19,919,450	21,520,171	23,120,892	24,721,613	26,322,714
25.66%	10,167,357	10,167,357	10,167,357	10,167,357	10,167,357	12,017,826	13,617,662	15,218,316	16,819,111	18,420,842	20,021,563	21,622,284	23,223,005	24,823,726	26,423,837
25.67%	10,279,171	10,279,171	10,279,171	10,279,171	10,279,171	12,118,937	13,718,773	15,319,427	16,920,206	18,521,937	20,122,658	21,723,379	23,324,100	24,924,821	26,524,932
25.68%	10,393,371	10,393,371	10,393,371	10,393,371	10,393,371	12,220,048	13,819,884	15,420,538	17,021,321	18,622,052	20,222,773	21,823,494	23,424,215	25,024,936	26,626,047
25.69%	10,510,037	10,510,037	10,510,037	10,510,037	10,510,037	12,321,159	13,920,995	15,521,649	17,122,414	18,723,145	20,323,866	21,924,587	23,525,308	25,126,029	26,727,140
25.70%	10,629,247	10,629,247	10,629,247	10,629,247	10,629,247	12,422,270	14,022,106	15,622,760	17,223,525	18,824,256	20,424,977	22,025,698	23,626,419	25,227,140	26,828,251
25.71%	10,751,087	10,751,087	10,751,087	10,751,087	10,751,087	12,523,381	14,123,217	15,723,874	17,324,639	18,925,370	20,526,091	22,126,812	23,727,533	25,328,254	26,929,365
25.72%	10,875,644	10,875,644	10,875,644	10,875,644	10,875,644	12,624,492	14,224,328	15,824,987	17,425,752	19,026,483	20,627,204	22,227,925	23,828,646	25,429,365	27,030,476
25.73%	11,003,010	11,003,010	11,003,010	11,003,010	11,003,010	12,725,603	14,325,439	15,925,998	17,526,763	19,127,494	20,728,215	22,328,936	23,929,657	25,530,378	27,131,487
25.74%	11,133,282	11,133,282	11,133,282	11,133,282	11,133,282	12,826,714	14,426,550	16,026,547	17,627,312	19,228,043	20,828,764	22,429,485	24,030,206	25,630,927	27,232,498
25.75%	11,266,560	11,266,560	11,266,560	11,266,560	11,266,560	12,927,825	14,527,661	16,127,658	17,728,426	19,329,157	20,929,878	22,530,599	24,131,320	25,731,641	27,333,509
25.76%	11,402,949	11,402,949	11,402,949	11,402,949	11,402,949	13,028,936	14,628,772	16,228,765	17,829,534	19,430,265	21,030,986	22,631,707	24,232,428	25,833,150	27,434,520
25.77%	11,542,560	11,542,560	11,542,560	11,542,560	11,542,560	13,130,047	14,729,883	16,329,878	17,930,647	19,531,378	21,132,099	22,732,819	24,333,540	25,934,261	27,535,531
25.78%	11,685,507	11,685,507	11,685,507	11,685,507	11,685,507	13,231,158	14,830,994	16,430,989	18,031,758	19,632,489	21,233,210	22,833,931	24,434,652	26,035,373	27,636,542
25.79%	11,831,913	11,831,913	11,831,913	11,831,913	11,831,913	13,332,269	14,932,105	16,532,094	18,133,868	19,734,609	21,335,330	22,936,051	24,536,772	26,137,493	27,737,553

SCHEDULE

Licence Year	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Royalty Percentage	Relevant Minimum Fee mentioned in Section 4(b)(i)														
	Relevant Minimum Fee mentioned in Section 4(b)(ii)(B)														
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
25.80%	11,981,904	11,981,904	11,981,904	11,981,904	11,981,904	14,408,079	16,834,255	19,260,430	21,686,606	24,112,781	26,538,957	28,965,132	31,391,308	33,817,483	36,243,659
25.81%	12,135,613	12,135,613	12,135,613	12,135,613	12,135,613	14,592,913	17,050,212	19,507,512	21,964,811	24,422,111	26,879,410	29,336,710	31,794,009	34,251,309	36,708,608
25.82%	12,293,181	12,293,181	12,293,181	12,293,181	12,293,181	14,782,386	17,271,590	19,760,795	22,250,000	24,739,205	27,228,410	29,717,615	32,206,820	34,696,024	37,185,229
25.83%	12,454,754	12,454,754	12,454,754	12,454,754	12,454,754	14,976,675	17,498,596	20,020,518	22,542,439	25,064,360	27,586,281	30,108,203	32,630,124	35,152,045	37,673,967
25.84%	12,620,487	12,620,487	12,620,487	12,620,487	12,620,487	15,175,967	17,731,447	20,286,928	22,842,408	25,397,888	27,953,368	30,508,848	33,064,328	35,619,808	38,175,288
25.85%	12,790,544	12,790,544	12,790,544	12,790,544	12,790,544	15,380,458	17,970,372	20,560,286	23,150,201	25,740,115	28,330,029	30,919,943	33,509,858	36,099,772	38,689,686
25.86%	12,965,095	12,965,095	12,965,095	12,965,095	12,965,095	15,590,353	18,215,612	20,840,870	23,466,128	26,091,387	28,716,645	31,341,904	33,967,162	36,592,421	39,217,679
25.87%	13,144,320	13,144,320	13,144,320	13,144,320	13,144,320	15,805,870	18,467,419	21,128,968	23,790,518	26,452,067	29,113,616	31,775,166	34,436,715	37,098,264	39,759,814
25.88%	13,328,412	13,328,412	13,328,412	13,328,412	13,328,412	16,027,237	18,726,062	21,424,888	24,123,713	26,822,538	29,521,364	32,220,189	34,919,014	37,617,840	40,316,665
25.89%	13,517,569	13,517,569	13,517,569	13,517,569	13,517,569	16,254,696	18,991,823	21,728,950	24,466,078	27,203,205	29,940,332	32,677,459	35,414,586	38,151,713	40,888,841
25.90%	13,712,005	13,712,005	13,712,005	13,712,005	13,712,005	16,488,502	19,265,000	22,041,498	24,817,996	27,594,493	30,370,991	33,147,489	35,923,987	38,700,484	41,476,982
25.91%	13,911,942	13,911,942	13,911,942	13,911,942	13,911,942	16,728,925	19,545,907	22,362,890	25,179,873	27,996,855	30,813,838	33,630,820	36,447,803	39,264,785	42,081,768
25.92%	14,117,620	14,117,620	14,117,620	14,117,620	14,117,620	16,976,249	19,834,878	22,693,508	25,552,137	28,410,766	31,269,396	34,128,025	36,986,654	39,845,284	42,703,913
25.93%	14,329,286	14,329,286	14,329,286	14,329,286	14,329,286	17,230,776	20,132,265	23,033,754	25,935,243	28,836,732	31,738,221	34,639,710	37,541,199	40,442,688	43,344,177
25.94%	14,547,209	14,547,209	14,547,209	14,547,209	14,547,209	17,492,824	20,438,440	23,384,055	26,329,671	29,275,286	32,220,902	35,166,517	38,112,133	41,057,748	44,003,364
25.95%	14,771,668	14,771,668	14,771,668	14,771,668	14,771,668	17,762,734	20,753,799	23,744,865	26,735,930	29,726,996	32,718,061	35,709,126	38,700,192	41,691,257	44,682,323
25.96%	15,002,963	15,002,963	15,002,963	15,002,963	15,002,963	18,040,863	21,078,762	24,116,662	27,154,561	30,192,461	33,230,360	36,268,260	39,306,160	42,344,059	45,381,959
25.97%	15,241,410	15,241,410	15,241,410	15,241,410	15,241,410	18,323,592	21,413,774	24,499,956	27,586,138	30,672,320	33,758,502	36,844,664	39,930,866	43,017,048	46,103,230
25.98%	15,487,347	15,487,347	15,487,347	15,487,347	15,487,347	18,623,328	21,759,309	24,895,290	28,031,271	31,167,252	34,303,233	37,439,214	40,575,195	43,711,175	46,847,156
25.99%	15,741,132	15,741,132	15,741,132	15,741,132	15,741,132	18,928,501	22,115,870	25,303,239	28,490,608	31,677,977	34,865,346	38,052,715	41,240,084	44,427,453	47,614,822
26.00%	16,003,147	16,003,147	16,003,147	16,003,147	16,003,147	19,243,570	22,483,994	25,724,417	28,964,841	32,205,264	35,445,688	38,686,111	41,926,535	45,166,958	48,407,982

Appendix H. NOTICE

**Telecommunications Ordinance (Cap.106) and
Telecommunications (Method for Determining Spectrum
Utilization Fees) (Third Generation Mobile Services) Regulation**

By this Notice the Telecommunications Authority, in exercise of the powers conferred by section 32I of the Telecommunications Ordinance and the Telecommunications (Method for Determining Spectrum Utilization Fees) (Third Generation Mobile Services) Regulation and all other powers enabling him for this purpose, specifies the terms and conditions of the auction and the payment of the Spectrum Utilization Fees. This Notice shall, where appropriate, also constitute guidelines of the Telecommunications Authority indicating the manner in which he proposes to perform his function of determining applications for licences which may be issued by him pursuant to section 7 of the Telecommunications Ordinance including the licensing criteria and other relevant matters he proposes to consider in accordance with section 6D of the Telecommunications Ordinance.

Telecommunications Authority
18th July 2001

PART 1 - INTRODUCTION

Section 1 - Commencement, Purpose and Stages

Commencement

1.1.1 This Notice shall come into effect on the date of issue.

Purpose of Notice

1.1.2 The purpose of this Notice is to specify:

- (a) the terms and conditions of the Auction and the payment of Spectrum Utilization Fees; and
- (b) the Bidders which may be considered for the grant of a Licence.

Stages of the Auction

1.1.3 This Notice provides for a four stages as follows:

- (a) an Application Stage as specified in Part 2;
- (b) a Pre-Qualification Stage as specified in Part 3;
- (c) an Auction Stage as specified in Part 4; and
- (d) a Grant Stage as specified in Part 5.

Section 2 - Definitions

1.2.1 In this Notice, unless the context otherwise requires:

"**Activity Rules**" means the obligations imposed on Bidders as set out in Part 6;

"**Applicable Royalty Percentage**" means the royalty percentage bid offered by all the successful Bidders in the Auction determined in accordance with paragraph 4.5.2;

"**Application**" means an application submitted by a Bidder to the Authority in writing in accordance with section 1 of Part 2;

"**Application Dates**" shall be determined in accordance with paragraph 2.1.6;

"**Application Form**" means the form specified in Appendix 1;

"**Application Location**" means one or more locations in Hong Kong to be specified by the Authority for the purposes of receiving Applications;

"**Application Stage**" means the stage specified in Part 2;

"**Approval**" means any shareholder approval which is required by law or any regulatory authority before a Licence is granted to a Bidder which is not capable of

being reasonably obtained prior to the date on which the Application by that Bidder is submitted in accordance with section 1 of Part 2;

"**Approval Date**" means ten Business Days after the date of the Third Phase Notice;

"**Auction**" means the procedure specified in this Notice;

"**Auction Location**" means one or more locations in Hong Kong to be specified by the Authority for the purposes of the Auction;

"**Auction Stage**" means the stage specified in Part 4;

"**Authority**" means the Telecommunications Authority appointed under the Ordinance;

"**Authority Account**" means the designated account of the Authority at a Deposit Bank;

"**Authority's Website**" means www.ofta.gov.hk;

"**Banking Ordinance**" means the Banking Ordinance (Cap. 155);

"**Bidder**" means a body corporate which has submitted an Application;

"**Bidder Compliance Certificate**" means the certificate specified in Appendix 2;

"**Bidder Notice**" means the notice issued to Bidders by the Authority in accordance with paragraph 3.2.1;

"**Bidder Participation Notice**" means the notice specified in paragraph 4.2.1;

"**2G Bidding Group**" means a group where there is at least:

- (a) two 2G Operators which each have a Bidding Interest in the same Bidder;
- (b) a person which is not a Bidder nor a 2G Operator (a "Third Party") which has a Bidding Interest in any Bidder and a 2G Interest in any 2G Operator and another Third Party which has a Bidding Interest in the same Bidder and a 2G Interest in a different 2G Operator;
- (c) a 2G Operator and a Third Party which each has a Bidding Interest in the same Bidder and that Third Party has a 2G Interest in another 2G Operator;
- (d) a 2G Operator which has a Bidding Interest in any Bidder which has a 2G Interest in another 2G Operator;
- (e) a Third Party which has a Bidding Interest in any Bidder and a 2G Interest in any 2G Operator where that Bidder has a 2G Interest in another 2G Operator;
- (f) a 2G Operator which has a Bidding Interest and a 2G Interest in any Bidder which is also a 2G Operator;

- (g) a Third Party which has a Bidding Interest and a 2G Interest in any Bidder which is also a 2G Operator and a 2G Interest in another 2G Operator;
- (h) a Bidder which has a 2G Interest in two or more 2G Operators;
- (i) a Third Party which has a 2G Interest in two 2G Operators and a Bidding Interest in any Bidder;
- (j) a Bidder which has a 2G Interest in any 2G Operator which has a 2G Interest in another 2G Operator; or
- (k) a Bidder and two or more 2G Operators which may also include one or more Third Parties where there exists more than one (i) Bidding Interest in relation to that Bidder or (ii) 2G Interest in relation to any or all of the 2G Operators;

"Bidding Form" means the bidding form or script referred to in paragraph 4.3.4(c) and in the form specified in Appendix 9;

"Bidding Interest" means a Participation or Indirect Interest in, or control of, a Bidder;

"Bidding Notification" has the meaning given in paragraph 7.1.6;

"Bidding Round" has the meaning given in paragraph 4.3.2;

"Bidding Schedules" means the list of Royalty Percentages and corresponding minimum fees gazetted in a Notice dated 18th July, 2001 by the Secretary for Information Technology and Broadcasting;

"Business Day" means a full day other than a Saturday or a Sunday on which banks in Hong Kong are open for general business;

"Commission" means the Securities and Futures Commission established under the Securities and Futures Commission Ordinance (Cap. 24);

"Conditions" means together the General and Special Conditions to which the Licence is subject, substantially in the form set out in Schedule 2;

"Confidential Information" has the meaning given in paragraph 6.5.6;

"Connected Bidder" means a Bidder that is closely connected to another Bidder and, for these purposes, a Bidder (Bidder A) is a Connected Bidder in relation to another Bidder (Bidder B) only if:

- (a) it holds a Bidding Interest in Bidder B;
- (b) a person who is not a Connected Bidder in relation to Bidder A or Bidder B holds a Bidding Interest in Bidder A and Bidder B; or
- (c) Bidder A, or a person with a Bidding Interest in Bidder A, and Bidder B, or a person with a Bidding Interest in Bidder B, both have a 2G Interest in the same 2G Operator;

"Connected Bidder Group" means a group comprising, in relation to a Connected Bidder:

- (a) that Bidder;
- (b) any Bidder which is a Connected Bidder in relation to that Bidder; and
- (c) any other Bidder which is a Connected Bidder in relation to a Bidder falling within subparagraph (b);

"Connected Bidder Statutory Declaration" means the statutory declaration referred to in paragraph 2.1.2(d) and in the form specified in Appendix 3;

"Connection" has the meaning given in paragraph 1.4.1;

"Corporate Group" means, in relation to a Bidder, that Bidder, the ultimate holding company of the Bidder and any subsidiary (direct or indirect) of that ultimate holding company;

"CSP" has the meaning given to it in the Conditions;

"Deposit" means a sum in cash or a Letter of Credit from a Qualifying Bank;

"Deposit Bank" means one or more Qualifying Banks specified by the Authority;

"Deposit Interest" means interest (if any) earned in respect of a Bidder's Deposit in accordance with paragraphs 2.2.7 to 2.2.9;

"Exempt Security Interest" has the meaning given in the Securities and Futures Bill gazetted on 24th November, 2000;

"Final Bidding Round" has the meaning given in paragraph 4.3.3;

"Final Offer" has the meaning given in paragraph 4.3.3;

"First Phase" means the phase of the Auction specified in section 3 of Part 4;

"First Phase Reserve Price" means, in relation to the First Phase, the Royalty Percentage specified in Schedule 1;

"First Phase Tied Bidders" has the meaning given in paragraph 4.5.3;

"Frequency Bands" means the frequency bands specified in Schedule 3;

"Grant Stage" means the stage specified in Part 5;

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China;

"HK\$" means the valid currency for the time being of Hong Kong;

"Indirect Interest" means an indirect interest whether legal or equitable held by a person (the "first person"), through one or more bodies corporate, in the shares of

another body corporate (the "second person"), such that the percentage interest attributable to the first person in the shares of the second person is equal to 15% or more and, for this purpose the first person, and every body corporate controlled by the first person, shall be treated as one person;

"Insider" means, in relation to a Bidder, any person to whom Confidential Information is disclosed, directly or indirectly, by that Bidder or, directly or indirectly, by any person who is an Insider in relation to that Bidder and includes:

- (a) in the case of a body corporate, any person who controls, who is controlled by, or under common control with, that person; and
- (b) in the case of a partnership, any partners and co-partners;

"2G Interest" means a Participation or Indirect Interest in, or control of, a 2G Operator;

"Irrevocable Undertaking" means the undertaking in the form specified in Appendix 6;

"Letter of Credit" means a letter of credit in the form specified in Appendix 7;

"Licence" means a mobile carrier licence issued by the Authority under section 7 of the Ordinance for the establishment or maintenance of a telecommunications network for carrying communications to or from the public between moving locations or between fixed locations and moving locations situated within Hong Kong and operating in one of the Frequency Bands incorporating the Conditions;

"2G Licence" means a public radiocommunications service licence for personal communications service, a public radiocommunications service licence for public mobile radio telephone service or a mobile carrier licence issued by the Authority under section 7 of the Ordinance for the establishment or maintenance of a telecommunications network for carrying communications to or from the public between moving locations or between fixed locations and moving locations situated within Hong Kong and operating in all or any of the frequency bands 825-960 MHz, 1710-1785 MHz and 1805-1880 MHz;

"MVNO" has the meaning given in the Conditions;

"MVNO Statutory Declaration" means the statutory declaration referred to in paragraph 2.1.2(e) and in the form specified in Appendix 4;

"Network Turnover" means, in relation to calculating the Spectrum Utilization Fee, the revenue arising from or attributable to the provision of any telecommunications services over any telecommunications network using the Frequency Bands to which that fee relates;

"2G Operator" means a person which holds a 2G Licence at the Application Date;

"Ordinance" means the Telecommunications Ordinance (Cap. 106);

"Participation" means, in relation to a body corporate, a holding or a beneficial entitlement to shares in that body corporate, a right to acquire or subscribe for shares

in that body corporate, the possession of voting power in that body corporate, or the right to acquire voting power in that body corporate other than:

- (a) a holding or beneficial entitlement which is less than 15% of the issued share capital of that body corporate;
- (b) a right to acquire or subscribe for those shares which, together with any existing holding or beneficial entitlement, represents or would represent less than 15% of the issued share capital of that body corporate;
- (c) the possession of voting power in respect of less than 15% of the issued share capital of that body corporate; and
- (d) a right to acquire that voting power which, together with any existing voting power, represents less than 15% of the issued share capital of that body corporate;

"Penalty" means a sum representing the whole or part of a Bidder's Deposit which may be forfeited by the Authority from that Deposit under any provision of this Notice;

"Performance Bond" means a performance bond in the form determined by the Authority substantially in the form specified in Appendix 5 and which is to be provided to the Authority in accordance with paragraph 5.2.3(b);

"Pre-Qualification Stage" means the stage specified in Part 3;

"Provisional Successful Bidder" has the meaning given in paragraph 4.5.1;

"Provisional Successful Bidder Notice" has the meaning given in paragraph 4.5.8;

"Qualified Bidder" means a Bidder determined as such in accordance with section 1 of Part 3;

"Qualifying Bank" means an institution holding a full banking licence under the Banking Ordinance whose long term debt rating is, or is higher than:

- (a) one or more of the following
 - (i) Moody's A2;
 - (ii) Standard & Poor's A;
 - (iii) Duff & Phelps Credit Reference Agency's A; or
 - (iv) Fitch - IBCA's A; or
- (b) a rating of a body other than a body listed in subparagraph (a) which, in the opinion of the Authority, is equivalent to one or more of the ratings listed in that paragraph;

"Regulation" means the Telecommunications (Method for Determining Spectrum Utilization Fees) (Third Generation Mobile Services) Regulation;

"**Requisite Number**" has the meaning given in paragraph 4.5.1(b);

"**Revised Provisional Successful Bidder Notice**" has the meaning given in paragraph 4.6.18;

"**Revised Provisional Successful Bidders**" has the meaning given in paragraph 4.6.18;

"**Roaming Consent Letter**" means the letter relating to the consent referred to in paragraph 3.1.2(d) and in the form specified in Appendix 8;

"**Roaming Special Condition**" means the special condition referred to in paragraph 3.1.2(d), substantially in the form set out in Schedule 4;

"**Royalty Percentage**" means the percentage of Network Turnover in respect of each Royalty Year which shall comprise part of the Spectrum Utilization Fee;

"**Royalty Year**" means each period of 12 months in the 15 year period starting on the date on which the Licence authorising the use of the relevant Frequency Band is granted;

"**Second Phase**" means the phase of the Auction specified in section 6 of Part 4;

"**Second Phase Notice**" has the meaning given in paragraph 4.6.1;

"**Second Phase Reserve Price**" means, in relation to the Second Phase, the amount specified in Schedule 1;

"**Spectrum Utilization Fees**" means the sums payable in respect of each set of Frequency Bands as determined in accordance with this Notice;

"**Sub-Auction**" has the meaning given in paragraph 4.6.7;

"**Successful First Phase Tied Bidder**" has the meaning given in paragraph 4.5.5;

"**Third Phase**" means the phase of the Auction specified in section 7 of Part 4;

"**Third Phase Bidder**" has the meaning given in paragraph 4.7.1(a);

"**Third Phase Notice**" has the meaning given in paragraph 4.7.1;

"**Third Phase Reserve Price**" means, in relation to the Third Phase, the amount specified in Schedule 1; and

"**Tied Bidding Round**" has the meaning given in paragraph 4.5.3.

Section 3 - Interpretation

1.3.1 In this Notice unless the context otherwise requires:

- (a) any reference to a person having a Participation (as defined in paragraph 1.2.1) in a body corporate shall be construed as a reference to:
 - (i) a holding of, or a beneficial entitlement to, the shares in that body corporate;
 - (ii) a right to acquire, or subscribe for, shares in that body corporate together with any existing shareholding or beneficial entitlement held by that person; or
 - (iii) the possession of voting power, or the right to acquire voting power, in that body corporate,

and, for this purpose, a person and every body corporate controlled by him shall be treated as one person;

- (b) any reference to shares shall be construed as a reference to issued share capital excluding any part of that capital which, neither as respects dividends nor capital, carries any right to participate beyond a specified amount in a distribution but including such part of that capital which, in the opinion of the Authority, possesses sufficient of the characteristics of equity share capital so as to make it nearly equivalent to equity share capital;
- (c) subject to subparagraph (d), any reference to:
 - (i) a holding of, or beneficial entitlement to, or having the right to acquire, or subscribe for, shares or any amount of the shares in a body corporate; or
 - (ii) the possession of voting power, the right to acquire voting power or any amount of the voting power, in a body corporate,

shall be construed as a reference to that holding, entitlement, right or possession being held, whether alone or jointly with one or more other persons and whether directly or through one or more nominees;

- (d) a reference to a person's holding of shares, or possession of voting power, in a body corporate shall be construed so as to disregard that holding or possession if or to the extent that:
 - (i) he holds the shares concerned:
 - (aa) as a nominee; or
 - (bb) as a custodian (whether under a trust or by a contract); or
 - (cc) under an arrangement pursuant to which he has issued, or is to issue, depository receipts in respect of the shares concerned; or

- (ii) he is not entitled to exercise, or control the exercise of, voting rights in respect of the shares concerned;
- (e) for the purpose of subparagraph (d)(i)(cc), "depository receipt" means a certificate or other record (whether or not in the form of a document):
 - (i) which is issued by or on behalf of a person who holds shares or who holds evidence of the right to receive shares, or has an interest in shares, in a particular body corporate; and
 - (ii) which evidences or acknowledges that another person is entitled to rights in relation to those shares or shares of the same kind, which shall include the right to receive those shares (or evidence of the right to receive those shares) from the person mentioned in subparagraph (i);
- (f) for the purposes of subparagraph (d)(ii):
 - (i) a person is not entitled to exercise, or control the exercise of, voting rights in respect of shares if he is bound (whether by contract or otherwise) not to exercise the voting rights, or not to exercise them otherwise than in accordance with the instructions of another; and
 - (ii) voting rights which a person is entitled to exercise or of which he is entitled to control the exercise only in certain circumstances shall be taken into account only when those circumstances have arisen and for so long as they continue;
- (g) a body corporate is controlled by a person if:
 - (i) he has a controlling interest in it;
 - (ii) he has a controlling interest in a body corporate which has a controlling interest in the body corporate; or
 - (iii) although he does not have such an interest in the body corporate, or in any body corporate with a controlling interest in the body corporate, it is reasonable, having regard to all the circumstances, to expect that he will be able, by whatever means and whether directly or indirectly, to achieve the result that the affairs of the body corporate are conducted in accordance with his wishes,

and, for this purpose, a person has a controlling interest in a body corporate if he holds, or is beneficially entitled to, or has a right to acquire or subscribe for, 50 per cent. or more of the share capital in the body corporate, or possesses, or has a right to acquire, 50 per cent. or more of the voting power in it and a person shall be deemed to control a body corporate where that person controls another person which controls that body corporate;
- (h) for the purpose of the definition of "Indirect Interest" in paragraph 1.2.1, the percentage interest attributable to the first person in the shares of the second person shall be calculated by multiplying together the respective percentage interests of the first person, and of each body corporate in the chain of

ownership which gives the first person an Indirect Interest in the shares of the second person, in the shares of the second person or of another body corporate in that chain of ownership (as the case may be);

- (i) the percentage interests referred to in subparagraph (h) shall, in each case, be calculated in the same manner as is prescribed for calculating the percentage interest of a Participation in the shares of a body corporate in paragraph 1.3.1(a), save that a percentage interest or other arrangement which gives a person control in a body corporate shall for this purpose be treated as a percentage interest of 100%;
- (j) for the purpose of the definitions of “Indirect Interest” and “Participation” in paragraph 1.2.1 and “control” in this paragraph:
 - (i) a beneficial entitlement to shares, interest in shares or right to acquire or subscribe for shares or right to any voting power shall be taken into account whether or not it is a conditional entitlement, interest or right, except that:
 - (A) any such entitlement, interest or right resulting from a transaction constituting or forming part of merger or acquisition activity in the circumstances described in subparagraph (aa) or (bb) shall be deemed not to arise until:
 - (aa) (where the transaction is conditional on a merger or acquisition proposal or transaction which is subject to a condition that clearance, with or without conditions, is received from any relevant regulatory authority and subparagraph (bb) does not apply) that condition of the transaction has been satisfied or waived; or
 - (bb) (where the transaction is, or forms part of, a merger or acquisition proposal or transaction which is opposed by the directors of any relevant party) the transaction becomes unconditional in all respects or (if earlier) takes place;
 - (B) any conditional entitlement, interest or right created on or before 20th March, 2000 shall be disregarded;
 - (ii) a person shall be deemed to have control of, or hold a Participation or an Indirect Interest in, a body corporate, as the case may be, where that person, acting in concert with another person, together hold the relevant percentage for the purposes of control, a Participation or an Indirect Interest;
 - (iii) references to two or more bodies corporate being under common control mean that they are controlled by the same person or group of persons acting in concert;

- (iv) notwithstanding subparagraph (i), no account shall be taken of an interest to the extent that (if it were an interest in shares) it would be an Exempt Security Interest; and
- (v) a conditional entitlement shall include the right of a beneficiary under a trust including, without limitation, a discretionary trust unless the relevant Bidder satisfies the Authority that none of the reasons for establishing that discretionary trust was to avoid or circumvent any of the terms and conditions of this Notice;
- (k) for the purposes of subparagraph (j)(iv), an interest in shares shall cease to be an Exempt Security Interest and the person holding the interest in the shares by way of security (the "lender") shall be taken to have acquired that interest, when:
 - (i) the lender:
 - (A) becomes entitled to exercise voting rights in respect of the interest in the shares held as security as a result of, or following, a default by the person giving the interest in the shares as security; and
 - (B) has evidenced an intention to exercise the voting rights or control their exercise or taken any step to exercise the voting rights or control their exercise; or
 - (ii) the power of sale in respect of the interest in the shares held as security becomes exercisable, and the lender or its agent offers the interest in the shares held as security, or any part of that interest, for sale;
- (l) persons "acting in concert" comprise persons who, pursuant to an agreement or understanding, actively co-operate to obtain or consolidate (i) control of a body corporate or (ii) the relevant percentage in a body corporate for the purposes of control, a Participation or an Indirect Interest;
- (m) a "person" includes any individual, body corporate, unincorporated association or body (including, without limitation, a partnership, trust, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality and includes its successors in title, permitted assigns and permitted transferees;
- (n) any reference to a "random method" shall refer to a method by which the relevant Bidder is selected by random;
- (o) "holding company" and "subsidiary" have the meanings given to them in section 2 of the Companies Ordinance (Cap. 32);
- (p) any reference in this Notice to a period to be determined in terms of a number of Business Days shall be calculated from midnight on the Business Day of notification or expiry of another time period, as the case may be, and expire at midnight on the last of the relevant number of Business Days and

any reference to “midnight” in relation to a particular day shall be read as 11.59 p.m. on that day;

- (q) any reference to an ordinance, whether the word is used by itself or as part of any title to an ordinance, shall mean that ordinance for the time being in force as well as any modification or substitution of that ordinance, in whole or in part, and all subsidiary legislation, regulations, directions, codes of practice and instruments made under that ordinance and for the time being in force;
- (r) where any word or expression is defined in this Notice, that definition shall extend to the grammatical variations and cognate expressions of that word or expression;
- (s) the singular includes the plural and vice versa and words and expressions importing each gender shall include the others;
- (t) references to this Notice shall include references to the Schedules and the Appendices and references to any "paragraph", "Schedule" or "Appendix" are to a paragraph, Schedule or Appendix of this Notice;
- (u) expressions of time shall be references to Hong Kong time; and
- (v) the headings do not affect its interpretation.

Section 4 - Connections

1.4.1 Notwithstanding any other provision of this Notice, where the Authority determines that, in relation to circumstances which cause or would cause a Bidder to be a Connected Bidder in relation to another Bidder (the “Connection”), all of the following conditions are satisfied:

- (a) the Connection is, or would be, of a temporary nature;
- (b) the Connected Bidder satisfies the Authority that no purpose of the transaction or event or series of transactions or events which brought about the Connection was to bring about the Connection;
- (c) the transaction or event or series of transactions or events which brought about the Connection was or were, as the case may be, bona fide commercial transactions not designed for the purpose of avoiding or circumventing any of the terms and conditions of this Notice relating to Connected Bidders; and
- (d) arrangements satisfactory to the Authority have been made or will be made such that:
 - (aa) neither of the Bidders (“Bidder A” and “Bidder B” respectively) is or will in practice be able to achieve the result that the affairs of one such Bidder are conducted in accordance with the other’s wishes;
 - (bb) no person is or will in practice be able to achieve the result that the affairs of both Bidder A and Bidder B are conducted in accordance with its wishes;

- (cc) there is no appreciable risk that Confidential Information relating to Bidder A has been obtained or will be obtained by Bidder B, or vice versa; and
- (dd) there is no appreciable risk that both Confidential Information relating to Bidder A and Confidential Information relating to Bidder B has been obtained or will be obtained by any person,

the Authority may at any time, if he thinks fit, determine that the Connection shall be disregarded for all purposes, or for the purposes as he may determine, under this Notice.

- 1.4.2 A determination by the Authority under paragraph 1.4.1 may be revoked by him at any time in the event of any change of circumstances which he considers to be material to that determination and any Bidder to which that determination relates shall inform the Authority immediately after it becomes aware of any change in the circumstances to which the determination relates (without prejudice to the generality of paragraph 6.4.2).
- 1.4.3 Notice of any determination by the Authority under paragraph 1.4.1 and any revocation of a determination under paragraph 1.4.2 shall be given to all Bidders.

PART 2 - APPLICATION STAGE

Section 1 - Application

- 2.1.1 No person other than a body corporate formed and registered under the Companies Ordinance (Cap. 32) may make an Application in accordance with this Part.
- 2.1.2 An Application must be completed in the English language and consist of the following:
 - (a) an Application Form;
 - (b) a Bidder Compliance Certificate;
 - (c) a Deposit;
 - (d) a Connected Bidder Statutory Declaration;
 - (e) an MVNO Statutory Declaration;
 - (f) a Roaming Consent Letter (if appropriate); and
 - (g) the consent of the Authority in accordance with paragraph 3.1.3 (if appropriate) together with written evidence that any conditions to which that consent is subject which are required to be satisfied by the later of the Application Dates have been satisfied.

Manner of Application

2.1.3 An Application must be:

- (a) addressed, sealed and enclosed in the manner as may be specified by the Authority; and
- (b) delivered to the Application Location.

Date for receipt of Applications

2.1.4 Subject to paragraphs 2.1.5 and 2.1.7, Applications must be received by the Authority at the Application Location between 9.00 a.m. and 5.00 p.m. on either of the Application Dates. A Bidder shall be subject to, and obliged to comply with, the terms and conditions of this Notice from the time its Application is received by the Authority.

2.1.5 If a tropical cyclone warning signal no. 8 or above or a "black" rainstorm warning signal is in force in Hong Kong during any of the times specified in paragraph 2.1.4, Applications must be received by the Authority at the Application Location between 9.00 a.m. and 5.00 p.m. on the next Business Day on which none of the signals remains in force.

Application Dates

2.1.6 The Application Dates shall be either:

- (a) 17th September, 2001 and 18th September, 2001; or
- (b) any later dates as the Authority notifies on the Authority's Website, provided that any notification shall not be made later than two Business Days before the earlier date specified in subparagraph (a).

2.1.7 If, in exceptional circumstances which are beyond the control of the Authority or any body corporate which proposes to make an Application, it is not physically possible to receive or deliver, as the case may be, the Application in accordance with paragraphs 2.1.4 and 2.1.6, the Authority may, in his absolute discretion, specify any or a combination of the following:

- (a) receipt of the Application at a location other than the Application Location, the address of which he shall notify on the Authority's Website;
- (b) receipt of the Application on a date later than the later of the Application Dates, the details of which he shall notify on the Authority's Website; and
- (c) receipt of the Application at times different from those specified in paragraph 2.1.4.

2.1.8 If an Application is received in accordance with paragraph 2.1.7, it shall, without prejudice to any provision of this Notice regarding the veracity of the information contained in the Application, be deemed for all other purposes of this Notice to have been received on one of the Application Dates.

Additional information

- 2.1.9 Any person who is considering submitting an Application in accordance with the requirements of this Part may, before the earlier of the Application Dates, submit to the Authority one or more questions in writing relating to the submission of an Application.
- 2.1.10 If the Authority responds to a question submitted under paragraph 2.1.9, he may place a copy of the question and of any response, in whole or in part, on the Authority's Website but, in doing so, shall not, without the consent of that person, identify the person who has submitted the question.

Section 2 - Deposits

References to Deposit

- 2.2.1 Any reference in this Notice to the Deposit shall, unless otherwise indicated, be construed as referring to:
- (a) the Deposit which has been paid or delivered, as the case may be, to the Authority by a Bidder; and
 - (b) any Deposit Interest which has been credited to a Bidder in accordance with paragraphs 2.2.7 to 2.2.9.
- 2.2.2 Any reference in this Notice to the Deposit shall be construed so as not to include any amount which has been forfeited by way of a Penalty.

Deposit

- 2.2.3 The Deposit shall be an amount equal to HK\$250 million and shall be payable or delivered, as the case may be, to the Authority in accordance with paragraph 2.2.6.
- 2.2.4 Where a Bidder provides its Deposit in cash, the Authority may notify that Bidder that its Application is invalid if funds representing that Bidder's Deposit are not cleared by 4 p.m. on the later of the Application Dates.
- 2.2.5 Where a Bidder provides its Deposit as a Letter of Credit, it shall ensure that the Letter of Credit remains valid and fully effective until the Deposit is returned to that Bidder in accordance with the terms and conditions of this Notice.

Method of payment or delivery of Deposit

- 2.2.6 Where the Deposit:
- (a) is in cash, it shall be payable to the Authority by telegraphic transfer to the Authority Account at the Deposit Bank and shall be accompanied by an identifier for the Bidder which shall consist of the registered name of the Bidder; or
 - (b) is a Letter of Credit, it shall be addressed to the Authority and delivered to the Application Location (together with the other documents set out in paragraph 2.1.2) pursuant to paragraphs 2.1.2 to 2.1.5 and 2.1.7 and 2.1.8.

Deposit interest

- 2.2.7 Where the Deposit is in cash, it shall earn interest at the rate available to the Authority from the Deposit Bank in which the cash is deposited, taking into account the need of the Authority to return the Deposit in accordance with the terms and conditions of this Notice to the relevant Bidder without undue delay.
- 2.2.8 Where the Deposit is in cash, subject to paragraph 2.2.9, where it, or part of it, is returned to a Bidder under any of the terms and conditions of this Notice, the Deposit, or part of it, which is returned shall include all Deposit Interest as has been earned in respect of that Deposit, or part of that Deposit, from (and including) the date on which it was received by the Authority up to (but excluding) the date on which it is returned.
- 2.2.9 Where the Deposit or part of the Deposit is forfeit under any provision of this Notice by way of Penalty, any Deposit Interest which has been earned in respect of the forfeited part of the Deposit shall form part of the total amount which is forfeit.

Penalties

- 2.2.10 If a Bidder is notified under any of the terms and conditions of this Notice that all or part of its Deposit is forfeit by way of Penalty, the deduction from that Bidder's Deposit shall be deemed to have occurred at the time of that notification by the Authority notwithstanding:
- (a) where the Deposit is in cash, that the sums specified in the notification, and any interest earned or to be earned on the Deposit, remain for a further period of time in the Authority Account; or
 - (b) where the Deposit is a Letter of Credit, that the Authority has not made a claim under the Letter of Credit in respect of the sums specified in the notification.
- 2.2.11 If a sum which has been forfeited by way of Penalty is re-instated as all or part of the Bidder's Deposit:
- (a) where the Deposit is in cash, the sum (including Deposit Interest on that sum) shall be paid into the relevant Authority Account and shall be deemed to be so re-instated from the time of notification of its re-instatement to the Bidder and any interest which has been earned in respect of that sum shall also be deemed to be re-instated as part of the Deposit from that date; and
 - (b) where the Deposit is a Letter of Credit, the sum shall be paid to the Bidder.

Section 3 - Withdrawal

- 2.3.1 A Bidder which has submitted an Application in accordance with this Part shall not be entitled to withdraw from the Auction other than in accordance with the terms and conditions of this Notice.

Section 4 - Acceptance of Conditions

- 2.4.1 A Bidder which has submitted an Application in accordance with this Part shall be deemed to have agreed with, and accepted, the Conditions and any amendment made to any of the Conditions by the Authority prior to the grant of a Licence to that Bidder provided that the amendment was made:
- (a) to correct any manifest error;
 - (b) to correct any inconsistency; or
 - (c) to address circumstances not contemplated by the Authority on the date of this Notice but which are nevertheless within the overall purpose of the Conditions, the Ordinance, the Regulation and this Notice.

PART 3 - PRE-QUALIFICATION STAGE

Section 1 - Determination as a Qualified Bidder

- 3.1.1 In accordance with paragraph 3.1.2, the Authority shall determine whether a Bidder is a Qualified Bidder.
- 3.1.2 Subject to paragraphs 3.1.3 and 7.1.12, the Authority shall determine that a Bidder is a Qualified Bidder if:
- (a) in the Authority's opinion, it has submitted an Application which complies with all of the requirements of paragraph 2.1.2;
 - (b) in the Authority's opinion, it does not control, is not controlled by, nor is under common control with any other Bidder;
 - (c) in the case of a Bidder which is in a 2G Bidding Group, it has the consent referred to in paragraph 3.1.3 and has satisfied all conditions (if any) to which that consent is subject which are required to be satisfied by the later of the Application Dates; and
 - (d) in relation to a Bidder which:
 - (i) is a 2G Operator; or
 - (ii) has a 2G Operator within its Group (as defined in the Roaming Special Condition),

it, or the relevant 2G Operator, as the case may be, has agreed by signing the Roaming Consent Letter, if that Bidder becomes a Third Phase Bidder in accordance with Part 4, to the amendment of its 2G Licence or Licences to incorporate the Roaming Special Condition in accordance with regulation 8(3) of the Telecommunications Regulations (Cap. 106 sub.leg.A).
- 3.1.3 Any Bidder which is in a 2G Bidding Group shall not be a Qualified Bidder for the purposes of paragraph 3.1.2 unless the Authority has granted consent to it being in that 2G Bidding Group prior to the Application Date. Any consent given by the Authority pursuant to this paragraph may be subject to conditions which the Bidder must satisfy by the relevant time specified in the consent.

Section 2 - Notification of status as a Qualified Bidder

- 3.2.1 The Authority shall, after making his determination under section 2, issue to each of the Bidders a notice (a "Bidder Notice") which shall state whether that Bidder has been determined to be a Qualified Bidder.
- 3.2.2 Subject to paragraph 3.2.4, on, or as soon as practicable after, the issue of a Bidder Notice to a Bidder who has not been determined to be a Qualified Bidder, the Authority shall return that Bidder's Deposit provided that if any amounts have been forfeited by way of Penalty by the Authority in accordance with the terms and conditions of this Notice with respect to that Bidder:
- (a) where the Deposit is in cash, the Deposit shall be returned less the aggregate amount of those Penalties; and
 - (b) where the Deposit is a Letter of Credit, the Authority shall, subject to paragraph 3.2.3, make a claim under the Letter of Credit to the extent of the aggregate amount of those Penalties.
- 3.2.3 The Authority shall not make a claim under a Letter of Credit pursuant to paragraph 3.2.2 to the extent that a Bidder pays to the Authority by the date specified by the Authority a sum in cash which is equal to the aggregate amount of the sums which have been forfeited by way of Penalty by the Authority with respect to that Bidder.
- 3.2.4 Notwithstanding the return to a Bidder of its Deposit in accordance with paragraph 3.2.2, that Bidder shall continue to comply with those terms and conditions of this Notice as are specified by the Authority. If the Authority does not specify any terms and conditions in accordance with this paragraph, the Bidder shall be required to comply with all of the terms and conditions of this Notice as appropriate.

Section 3 - Numbers of Qualified Bidders

- 3.3.1 If either:
- (a) the Authority determines in accordance with section 2 of this Part that there are four or less than four Qualified Bidders; or
 - (b) at any time before the start of the First Phase as set out in the Bidder Participation Notice, the number of Qualified Bidders is four or less than four,

the Authority may, in his discretion, notify each of the Qualified Bidders that the First Phase shall not take place and the Auction shall consist only of the Second Phase (if any) and the Third Phase. The Qualified Bidders so notified shall be the Provisional Successful Bidders for the purposes of paragraph 4.5.1 and the Applicable Royalty Percentage shall be determined in accordance with paragraph 4.5.2.

PART 4 - AUCTION STAGE

Section 1 - Preliminary

Commencement

- 4.1.1 The Auction Stage may consist of the following phases:
- (a) a First Phase as specified in section 3 of this Part;
 - (b) a Second Phase as specified in section 6 of this Part; and
 - (c) a Third Phase as specified in section 7 of this Part.

Section 2 - Preparation for the Auction

- 4.1.2 Any reference to a Bidder in this Part shall be to a Qualified Bidder.

Bidder Participation Notice

- 4.2.1 Following the issue of a Bidder Notice, the Authority shall issue to each Bidder a notice (a "Bidder Participation Notice") which, if the Auction is to include a First Phase, shall provide details of the Auction Location for the First Phase and the date on which, and the time at which, the First Phase shall start.
- 4.2.2 If the Auction is not to include a First Phase, the Authority shall issue a Second Phase Notice in accordance with paragraph 4.6.1.
- 4.2.3 If the Auction is not to include a First Phase nor a Second Phase, the Authority shall issue a Third Phase Notice in accordance with paragraph 4.7.1.
- 4.2.4 If there is a First Phase, the appropriate Bidding Schedules shall be provided to each Bidder at the Auction Location.
- 4.2.5 If the Authority is of the opinion that it is impractical for the First Phase to commence on the date or at the time or place referred to in the Bidder Participation Notice, he may notify each Bidder of a different date, time or place, as the case may be. If a different date or time is to be notified, the date or time shall not be earlier than that originally notified as the relevant date or time.

Section 3 - First Phase

Purpose

- 4.3.1 The purpose of the First Phase is to provide a procedure to determine the Applicable Royalty Percentage.

Structure of the First Phase

- 4.3.2 The First Phase shall consist of one or more intervals of time (a "Bidding Round") to which a corresponding series of Royalty Percentages payable in respect of the Spectrum Utilization Fee for each Frequency Band shall apply together with any Tied Bidding Rounds. The Royalty Percentages shall be set out in the appropriate Bidding Schedules.
- 4.3.3 For each Bidding Round, each Bidder shall notify the Authority that it wishes either to:

- (a) remain in that Bidding Round; or
- (b) withdraw from that Bidding Round,

and, in the case of subparagraph (b), the Bidder shall notify the precise Royalty Percentage which it wishes to offer (a "Final Offer") and the Royalty Percentage at which it wishes to withdraw (which shall be 0.01% above its Final Offer). Each Bidder which notifies or is deemed to notify a Final Offer is deemed to do so with respect to any of the Frequency Bands. The Final Offer of a Bidder shall remain valid until, and that Bidder may be required to re-enter the Auction pursuant to paragraphs 4.6.12 or 6.1.5 at any time before, the date of the Third Phase Bidder Notice. The final Bidding Round (the "Final Bidding Round") shall be the Bidding Round in which four or less Bidders have notified, or are deemed to have notified, the Authority that they wish to remain pursuant to subparagraph (a). The Authority shall notify each Bidder that a Bidding Round is the Final Bidding Round at the end of that Bidding Round.

4.3.4 For the purposes of paragraph 4.3.3, "notifications" shall be made:

- (a) from the Auction Location specified by the Authority;
- (b) using the communications method specified by the Authority which shall be in the following order of priority:
 - (i) facsimile process;
 - (ii) telephone call by fixed line;
 - (iii) telephone call by mobile phone; or
 - (iv) any other method as the Authority may specify; and
- (c) using the Bidding Form specified by the Authority for the relevant method of communication,

and be accompanied by a password and identifying signatures or oral confirmations by representatives authorised to make notifications to the Authority under the terms and conditions of this Notice, as notified to the Authority by the Bidder in its Application Form.

4.3.5 If a Bidder is present at the Auction Location and does not notify the Authority in accordance with paragraphs 4.3.3 and 4.3.4 with respect to a Bidding Round, the Authority may specify a further period of time during which that Bidder may be given a further opportunity to notify the Authority in accordance with paragraphs 4.3.3 and 4.3.4 with respect to that Bidding Round. If that Bidder, having been given that further opportunity, does not notify the Authority in accordance with paragraphs 4.3.3 and 4.3.4 and this paragraph, it shall be deemed to have made a notification to the Authority in accordance with paragraph 4.3.3(a) with respect to that Bidding Round.

4.3.6 On receipt by the Authority of a notification from a Bidder pursuant to paragraph 4.3.3(b), subject to paragraphs 4.3.7, 4.5.3, 4.6.12 and 6.1.5, that Bidder shall no longer be entitled to participate in the First Phase.

- 4.3.7 A Bidder which withdraws from the First Phase pursuant to paragraph 4.3.3(b) shall be required to re-enter the Auction in accordance with paragraphs 4.6.12 and 6.1.5 (if applicable).
- 4.3.8 If any Bidder (a "Deemed First Phase Reserve Price Bidder") is not present at the Auction Location on the Auction Date for the First Phase at the time specified in the Bidder Participation Notice (the "Requisite Time"), it shall be deemed to have notified the Authority of a Final Offer pursuant to paragraph 4.3.3(b) equal to the First Phase Reserve Price. In relation to any Bidder (a "Participating Bidder") which:
- (a) is present at the Requisite Time; and
 - (b) actually notifies the Authority of a Final Offer (pursuant to paragraph 4.3.3(b)) equal to the First Phase Reserve Price,
- and, which accordingly, is a First Phase Tied Bidder with the Deemed First Phase Reserve Price Bidder, the Deemed First Phase Reserve Price Bidder shall be deemed to have made a lower Revised Final Offer pursuant to paragraph 4.5.4 provided that this deemed determination is necessary to obtain the Requisite Number of Provisional Successful Bidders.
- 4.3.9 The First Phase shall end when the Authority has determined that there is the Requisite Number of Provisional Successful Bidders or, where it is not possible to obtain the Requisite Number of Bidders, the number of Provisional Successful Bidders as determined by the Authority.

Section 4 - Penalties

- 4.4.1 Each Bidder and person (if any) acting or purporting to act on behalf of that Bidder shall:
- (a) be present at the Auction Location in accordance with the Bidder Participation Notice and remain at the Auction Location in the room specified by the Authority (the "Bidding Room") until the time specified by the Authority and not leave the Bidding Room without the Authority's prior written consent;
 - (b) ensure that it is able to be contacted at all times for the purposes of the Auction;
 - (c) not communicate or attempt to communicate or make any arrangements to communicate with any person other than the Authority or any person present in the Bidding Room;
 - (d) not bring into the Bidding Room any communication device including, without limitation, mobile phones and pagers;
 - (e) not send any form of communication to the Authority during the Auction which is, in the opinion of the Authority, vexatious;
 - (f) make all Bidding Notifications to the Authority in accordance with the relevant terms and conditions of this Notice;

- (g) submit a Bidding Form which is illegible or which is otherwise unclear;
- (h) not notify the Authority using a method or format in contravention of paragraph 4.3.4 or other communications method specified by the Authority, as the case may be;
- (i) not destroy or use improperly any of the equipment supplied by the Authority for the Auction; or
- (j) not act, without reasonable excuse, in a manner which disrupts the procedure specified in this Part, and which does not otherwise fall within subparagraphs (a) to (i).

4.4.2 Without prejudice to the provisions of any law or ordinance and paragraph 6.1.1, the Authority may, in his discretion, deduct a sum by way of Penalty from a Bidder's Deposit each time a Bidder or any person acting or purporting to act on behalf of that Bidder contravenes any provisions of paragraph 4.4.1.

Section 5 - Procedure after First Phase

Provisional Successful Bidders

4.5.1. A Provisional Successful Bidder means:

- (a) a Bidder that has notified, or has been deemed to have notified, the Authority that it wishes to remain in the Auction at the end of the Final Bidding Round pursuant to paragraph 4.3.3(a) or 4.3.5, as the case may be; or
- (b) where three or less Bidders or no Bidder falls within subparagraph (a), the Bidder or Bidders which made the highest Final Offer or Final Offers during the Final Bidding Round up to the number of Bidders (if any) necessary to make the aggregate number of Bidders in subparagraph (a) and this subparagraph equal to four (the "Requisite Number").

4.5.2 Subject to paragraphs 4.5.5, 4.6.12, 4.6.15, 6.1.5 and 6.1.8, the Royalty Percentage applicable to each Frequency Band in respect of each Royalty Year for the purposes of calculating the Spectrum Utilization Fee shall be the aggregate of:

- (a) the highest Final Offer (or deemed Final Offer) of all of the Bidders which participated in any Bidding Round up to and including the Final Bidding Round other than those Bidders falling within paragraph 4.5.1; and
- (b) a percentage equal to 0.01 per cent.

(the "Applicable Royalty Percentage").

If:

- (i) paragraph 3.3.1 applies and there is no First Phase; or
- (ii) no Bidder is present at the Auction Location on the Auction Date for the First Phase,

the Applicable Royalty Percentage shall be equal to the First Phase Reserve Price.

Tied Bidders

- 4.5.3 If there would be more than the Requisite Number of Provisional Successful Bidders in paragraph 4.5.1 as a result of two or more Bidders having made the same Final Offer ("First Phase Tied Bidders"), the Authority shall, by notice to the First Phase Tied Bidders, conduct a further Bidding Round after the Final Bidding Round (a "Tied Bidding Round") for the First Phase Tied Bidders (the "First Phase Tied Bidder Procedure") in accordance with paragraph 4.5.4 provided that the First Phase Tied Bidder Procedure is necessary to determine which of the First Phase Tied Bidders shall be the Successful First Phase Tied Bidders to obtain the Requisite Number of Provisional Successful Bidders.
- 4.5.4 In the Tied Bidding Round, each of the First Phase Tied Bidders shall notify the Authority (using a duly completed Bidding Form and the communications method specified by the Authority) of a further Final Offer (a "Revised Final Offer") between (and including) its Final Offer up to and including:
- (a) if, at the start of the Tied Bidding Round, there is no Provisional Successful Bidder which has made a Final Offer, the lowest Royalty Percentage of the Bidding Round immediately following the Final Bidding Round as set out in the Bidding Schedule; and
 - (b) if, at the start of the Tied Bidding Round, there is one or more Provisional Successful Bidders which have made a Final Offer, the Final Offer, or the lowest Final Offer, of such Provisional Successful Bidder or Bidders, as the case may be.
- 4.5.5 The First Phase Tied Bidder which notifies the Authority of the highest Revised Final Offer pursuant to paragraph 4.5.4 shall be the Bidder for the purposes of paragraph 4.5.1(b) (the "Successful First Phase Tied Bidder") or, if more than one Successful First Phase Tied Bidder is required to obtain the Requisite Number of Provisional Successful Bidders for the purposes of paragraph 4.5.1(b), the relevant number of First Phase Tied Bidders which notified the Authority of the highest Revised Final Offers to obtain the Requisite Number of Provisional Successful Bidders shall be the Successful First Phase Tied Bidders. The Applicable Royalty Percentage for the purposes of paragraph 4.5.2 shall, in these circumstances, be the aggregate of:
- (i) the highest Revised Final Offer of all of the First Phase Tied Bidders other than the Successful First Phase Tied Bidder or Bidders; and
 - (ii) a percentage equal to 0.01 per cent.
- 4.5.6 If a First Phase Tied Bidder does not notify the Authority in accordance with the First Phase Tied Bidder Procedure, it shall be deemed to have notified the Authority of a Revised Final Offer equal to its Final Offer.
- 4.5.7 The Successful First Phase Tied Bidder or Bidders shall, subject to the procedures in the Second Phase which apply to Connected Bidders, participate in the Third Phase. If two or more of the First Phase Tied Bidders make, pursuant to paragraph 4.5.4, or

are deemed to have made, pursuant to paragraph 4.5.6, the same Revised Final Offer ("Further First Phase Tied Bidders"), the Authority shall employ a random method to determine which of the Further First Phase Tied Bidder or Bidders shall, subject to the procedures in the Second Phase which apply to Connected Bidders, participate in the Third Phase provided that the employment of a random method is necessary to determine which of the Further First Phase Tied Bidders shall be the Successful First Phase Tied Bidder or Bidders to obtain the Requisite Number of Provisional Successful Bidders. The Applicable Royalty Percentage for the purposes of paragraph 4.5.2 shall, in these circumstances, be the Revised Final Offer of the Further First Phase Tied Bidders.

Provisional Successful Bidder Notice

4.5.8 After the end of the Final Bidding Round, the Authority shall issue to each Provisional Successful Bidder a notice (a "Provisional Successful Bidder Notice") which shall notify that Bidder of:

- (a) the Applicable Royalty Percentage applicable to each Frequency Band for the purposes of paragraph 4.5.2;
- (b) the identity of all other Provisional Successful Bidders; and
- (c) such information as is contained in section 4 of the Application Form of each of the Provisional Successful Bidders, together with any information obtained by the Authority pursuant to paragraph 7.1.12, which the Authority determines should be provided.

Section 6 - Second Phase

Second Phase

4.6.1 This section shall be subject to paragraph 1.4.1 of Part 1. Within three Business Days after the date of the Provisional Successful Bidder Notice, each Provisional Successful Bidder shall confirm in writing to the Authority that the declaration made in the Connected Bidder Statutory Declaration comprised in its Application remains true and accurate in all respects or, if it is not able to give that confirmation, it shall provide details of where the declaration is not true and accurate. Following receipt of those confirmations and details, as the case may be, the Authority shall determine whether any of the Provisional Successful Bidders is a Connected Bidder in relation to any other Provisional Successful Bidder. If the Authority determines that there are Connected Bidders amongst the Provisional Successful Bidders, it shall notify all Provisional Successful Bidders (the "Second Phase Notice") that the Auction shall proceed to the Second Phase in accordance with this section. If there are no Connected Bidders amongst the Provisional Successful Bidders, the Authority shall notify all Provisional Successful Bidders that the Auction shall proceed to the Third Phase.

Preparations for Second Phase

4.6.2 The Second Phase Notice shall provide details of:

- (a) the Auction Location for the Second Phase;

- (b) the date on which, and the time at which, the Second Phase shall start; and
- (c) the period of time for the Second Phase.

4.6.3 If the Authority is of the opinion that it is impractical for the Second Phase to commence on the date or at the time or place referred to in the Second Phase Notice, he may notify each Connected Bidder of a different date, time or place, as the case may be. If a different date or time is to be notified, the date or time shall not be earlier than that originally notified as the relevant date or time.

Purpose

4.6.4 The purpose of the Second Phase is to provide a procedure to determine:

- (a) which of the Connected Bidders shall participate in the Third Phase; and
- (b) the cash amount (if any) which shall form part of the Spectrum Utilization Fee payable in respect of the relevant Frequency Bands.

Structure of the Second Phase

4.6.5 The Second Phase shall consist of:

- (a) the provision to the Authority by a Connected Bidder within a Connected Bidder Group of an Irrevocable Undertaking with respect to that Connected Bidder in accordance with paragraph 4.6.11; or
- (b) if a Connected Bidder does not provide an Irrevocable Undertaking with respect to that Connected Bidder in accordance with paragraph 4.6.11, a Sub-Auction with respect to the Connected Bidder Group in which that Connected Bidder is comprised.

4.6.6 Subject to paragraph 4.6.3, the Sub-Auction shall start on the date, at the time and at the Auction Location notified to the relevant Connected Bidders in the Second Phase Notice.

4.6.7 The Sub-Auction shall consist of the period of time notified in the Second Phase Notice during which each Connected Bidder within the relevant Connected Bidder Group shall notify the Authority (using a duly completed Bidding Form and the communications method specified by the Authority) of a valid bid subject to the Second Phase Reserve Price. A valid bid shall consist of any cash amount expressed in Hong Kong dollars and whole cents and, for the avoidance of doubt, can be at the Second Phase Reserve Price.

4.6.8 Following a Sub-Auction, the Connected Bidders who shall participate in the Third Phase, subject to paragraph 4.6.10, shall be considered in the following order:

- (a) first, the Connected Bidder which notified the Authority of the highest bid pursuant to paragraph 4.6.7 (the "Highest Connected Bidder"); and
- (b) secondly, the Connected Bidders (if any) who, considered by the Authority in the order of the highest to the lowest bids made in the Sub-Auction, (and,

where two or more Connected Bidders notify the Authority of the same bid pursuant to paragraph 4.6.7, in the order as determined by the Authority) are:

- (i) not Connected Bidders in relation to the Highest Connected Bidder; and
- (ii) not Connected Bidders in relation to any Bidder previously determined as falling within subparagraph (b)(i).

Consequences of failure to notify

4.6.9 If a Connected Bidder does not notify the Authority in accordance with paragraph 4.6.7, it shall be deemed to have notified the Authority of the lowest bid which is equal to the Second Phase Reserve Price with respect to all of the Connected Bidders within the relevant Connected Bidder Group. If one or more Connected Bidders in that Connected Bidder Group are deemed to have made the lowest bid, the Authority shall employ a random method to determine the order in which those Connected Bidders shall be considered for the purposes of paragraph 4.6.8 and shall notify the relevant Connected Bidders of that order.

Tied bids

4.6.10 If the Authority is not able to establish the order in which Connected Bidders shall be considered for participation in the Third Phase pursuant to paragraph 4.6.8 as a result of two or more Connected Bidders in a Connected Bidder Group notifying the Authority of the same bid ("Second Phase Tied Bidders"), the Authority shall, by notice to the Second Phase Tied Bidders, conduct an auction in the form of a further Sub-Auction in accordance with paragraphs 4.6.6 to 4.6.9 to determine the order (as between the Second Phase Tied Bidders) in which those Second Phase Tied Bidders shall be considered for the purposes of paragraph 4.6.8 so that references to:

- (a) Connected Bidder shall be to Second Phase Tied Bidder; and
- (b) Second Phase Notice shall be to a notice of the Authority sent to the Second Phase Tied Bidders pursuant to this paragraph.

Any cash amount which is bid by a Second Phase Tied Bidder pursuant to this paragraph shall be in addition to any cash amount bid by that Second Phase Tied Bidder pursuant to paragraph 4.6.7. If two or more Second Phase Tied Bidders bid the same bid pursuant to this paragraph, the Authority shall employ a random method to determine the order in which those Second Phase Tied Bidders shall be considered for the purposes of paragraph 4.6.8.

Irrevocable Undertakings

4.6.11 Following the receipt of the Second Phase Notice, a Connected Bidder in a Connected Bidder Group shall be entitled within two Business Days after the date of the Second Phase Notice (or any longer period with respect to a Connected Bidder as the Authority may specify) to provide to the Authority an Irrevocable Undertaking:

- (a) in the case of subparagraphs (a) and (b) of the definition of "Connected Bidder", by the person which holds the relevant Bidding Interest in that Connected Bidder and any person or persons whose consent or agreement is

required to enable the first mentioned person to perform all of its obligations under the Irrevocable Undertaking; and

- (b) in the case of subparagraph (c) of the definition of "Connected Bidder", by one or more of the persons who holds the relevant 2G Interest and any person or persons whose consent or agreement is required to enable the first mentioned person or persons to perform all of its obligations under the Irrevocable Undertaking,

in each case with the effect that, immediately following the fulfilment of the obligations contained in that Irrevocable Undertaking, that Connected Bidder would no longer be a Connected Bidder in relation to any other Provisional Successful Bidder or Revised Provisional Successful Bidder, as the case may be, for the purposes of the Second Phase and the Third Phase. If the Authority does not receive an Irrevocable Undertaking with respect to that Connected Bidder having the effect set out in this paragraph, the Second Phase shall consist of a Sub-Auction with respect to the Connected Bidder Group in which that Connected Bidder is comprised in accordance with paragraph 4.6.5(b). If the Authority does receive an Irrevocable Undertaking with respect to that Connected Bidder having the effect set out in this paragraph, that Connected Bidder shall no longer be a Connected Bidder for the purposes of this Notice and shall participate in the Third Phase.

Consequences of Sub-Auction

4.6.12 If, as a result of a Sub-Auction, there are fewer than the Requisite Number of Provisional Successful Bidders which shall participate in the Third Phase, subject to paragraph 4.6.20, such number of Qualified Bidders which are neither Provisional Successful Bidders nor Revised Provisional Successful Bidders (the "Withdrawn Bidders") (if any) shall re-enter the Auction so that the number of Provisional Successful Bidders is equal to the Requisite Number or, where there are insufficient Withdrawn Bidders to re-enter the Auction pursuant to this paragraph to obtain the Requisite Number of Provisional Successful Bidders, all the Withdrawn Bidders shall re-enter the Auction pursuant to this paragraph. The Withdrawn Bidders shall re-enter the Auction according to the amount of their respective Final Offers (including, without limitation, any Final Offers which are deemed under the terms and conditions of this Notice) so that the Bidder with the highest Final Offer shall re-enter the Auction first. The Applicable Royalty Percentage for the purposes of paragraph 4.5.2 shall, in these circumstances, be the aggregate of:

- (a) the highest Final Offer of all of the Withdrawn Bidders other than the Withdrawn Bidders which re-enter the Auction pursuant to this paragraph (the "Relevant Withdrawn Bidder"); and
- (b) a percentage equal to 0.01 per cent.

If there is no Relevant Withdrawn Bidder, the Applicable Royalty Percentage shall be the First Phase Reserve Price.

4.6.13 If there would be more than the required number of Withdrawn Bidders to obtain the Requisite Number of Provisional Successful Bidders as a result of two or more Withdrawn Bidders having made the same Final Offer ("Tied Withdrawn Bidders"), the Authority shall, by notice to the Tied Withdrawn Bidders, conduct a Tied Bidding Round for the Tied Withdrawn Bidders (the "Tied Withdrawn Bidder Procedure") in

accordance with paragraph 4.6.14 provided that the Tied Withdrawn Bidder Procedure is necessary to determine which of the Tied Withdrawn Bidders shall re-enter the Auction to obtain the Requisite Number of Provisional Successful Bidders.

4.6.14 In the Tied Bidding Round, each of the Tied Withdrawn Bidders shall notify the Authority (using a duly completed Bidding Form and the communications method specified by the Authority) of a further Final Offer (a "Revised Final Offer") between (and including) its Final Offer up to and including:

- (a) if, at the start of the Tied Bidding Round, there is no Provisional Successful Bidder or Revised Provisional Successful Bidder which has made a Final Offer, the lowest Royalty Percentage of the Bidding Round immediately following the Final Bidding Round as set out in the Bidding Schedule; and
- (b) if, at the start of the Tied Bidding Round, there is one or more Provisional Successful Bidders or Revised Provisional Successful Bidders which have made a Final Offer, the Final Offer, or lowest Final Offer, of such Provisional Successful Bidder or Bidders or Revised Provisional Successful Bidder or Bidders, as the case may be.

4.6.15 The Tied Withdrawn Bidder which notifies the Authority of the highest Revised Final Offer pursuant to paragraph 4.6.14 shall re-enter the Auction (the "Successful Tied Withdrawn Bidder") or, if more than one Successful Tied Withdrawn Bidder is required to re-enter the Auction pursuant to paragraph 4.6.12 to obtain the Requisite Number of Provisional Successful Bidders for the purposes of paragraph 4.5.1(b), the relevant number of Tied Withdrawn Bidders which notified the Authority of the highest Revised Final Offers to obtain the Requisite Number of Provisional Successful Bidders shall be the Successful Tied Withdrawn Bidders. The Applicable Royalty Percentage for the purposes of paragraph 4.5.2 shall, in these circumstances, be the aggregate of:

- (i) the highest Revised Final Offer of all of the Tied Withdrawn Bidders other than the Successful Tied Withdrawn Bidder or Bidders; and
- (ii) the percentage equal to 0.01 per cent.

4.6.16 If a Tied Withdrawn Bidder does not notify the Authority in accordance with the Tied Withdrawn Bidder Procedure, it shall be deemed to have notified the Authority of a Revised Final Offer equal to its Final Offer.

4.6.17 The Successful Tied Withdrawn Bidder or Bidders shall, subject to the procedures in the Second Phase which apply to Connected Bidders, participate in the Third Phase. If two or more of the Tied Withdrawn Bidders make, pursuant to paragraph 4.6.14, or are deemed to have made, pursuant to paragraph 4.6.16, the same Revised Final Offer ("Further Tied Withdrawn Bidders"), the Authority shall employ a random method to determine which of the Further Tied Withdrawn Bidder or Bidders shall, subject to the procedures in the Second Phase which apply to Connected Bidders, participate in the Third Phase provided that the employment of a random method is necessary to determine which of the Further Tied Withdrawn Bidders shall be the Successful Tied Withdrawn Bidder or Bidders to obtain the Requisite Number of Provisional Successful Bidders. The Applicable Royalty Percentage for the purposes of paragraph 4.5.2 shall, in these circumstances, be the Revised Final Offer of the Further Tied Withdrawn Bidders.

4.6.18 The Authority shall issue to each Bidder which re-enters the Auction pursuant to paragraph 4.6.12 or 6.1.5 and each remaining Provisional Successful Bidder (together the "Revised Provisional Successful Bidders") a notice (the "Revised Provisional Successful Bidder Notice") which shall notify that Bidder of:

- (a) the Applicable Royalty Percentage applicable to each Frequency Band for the purposes of paragraph 4.5.2;
- (b) the identity of all other Revised Provisional Successful Bidders; and
- (c) such information as is contained in section 4 of the Application Form of each of the Revised Provisional Successful Bidders, together with any information obtained by the Authority pursuant to paragraph 7.1.12, which the Authority determines should be provided.

4.6.19 Following the issue of a Revised Provisional Successful Bidder Notice pursuant to paragraph 4.6.18, any Provisional Successful Bidder Notice or prior Revised Provisional Successful Bidder Notice shall be disregarded.

4.6.20 Immediately following the issue of a Revised Provisional Successful Bidder Notice pursuant to paragraph 4.6.18, the procedures in this Part shall apply except that all references to:

- (a) Provisional Successful Bidder Notices shall be to Revised Provisional Successful Bidder Notices; and
- (b) Provisional Successful Bidders shall be to Revised Provisional Successful Bidders,

except that any Withdrawn Bidder (a "Connected Withdrawn Bidder") which:

- (i) but for this paragraph could, re-enter the Auction pursuant to paragraph 4.6.12, or 6.1.5; and
- (ii) is a Connected Bidder in relation to a remaining Provisional Successful Bidder or Revised Provisional Successful Bidder (which either is a Provisional Successful Bidder which falls within paragraph 4.5.1 or a Withdrawn Bidder which has re-entered the Auction before the Connected Withdrawn Bidder has done),

shall not be entitled to participate in any Sub-Auction nor re-enter the Auction unless it submits to the Authority an Irrevocable Undertaking in accordance with paragraph 4.6.11.

Section 7 - Third Phase

Preparation for the Third Phase

- 4.7.1 Following the First Phase, or, if there has been a Second Phase, following the Second Phase, the Authority shall notify all Provisional Successful Bidders or, Revised Provisional Successful Bidders, as the case may be, (the "Third Phase Notice") of:
- (a) the identity of all Bidders who have the right to participate in the Third Phase (a "Third Phase Bidder");
 - (b) the Auction Location for the Third Phase;
 - (c) the date on which, and the time at which, the Third Phase shall start; and
 - (d) the period of time for the Third Phase.
- 4.7.2 If the Authority is of the opinion that it is impractical for the Third Phase to commence on the date or at the time or place referred to in the Third Phase Notice, he may notify each Third Phase Bidder of a different date, time or place, as the case may be. If a different date or time is to be notified, the date or time shall not be earlier than that originally notified as the relevant date or time.
- 4.7.3 After the issue of the Third Phase Notice in accordance with paragraph 4.7.1, the Authority shall return to a Bidder which is not a Third Phase Bidder (a "Losing Bidder") that Losing Bidder's Deposit provided that if any amounts have been forfeited by way of Penalty by the Authority in accordance with the terms and conditions of this Notice with respect to that Losing Bidder:
- (a) where the Deposit is in cash, the Deposit shall be returned less the aggregate amount of those Penalties; and
 - (b) where the Deposit is a Letter of Credit, the Authority shall, subject to paragraph 4.7.4, make a claim under the Letter of Credit to the extent of the aggregate amount of those Penalties.
- 4.7.4 The Authority shall not make a claim under a Letter of Credit pursuant to paragraph 4.7.3 to the extent that a Losing Bidder pays to the Authority by the date specified by the Authority a sum in cash which is equal to the aggregate amount of the sums which have been forfeited by way of Penalty by the Authority with respect to that Losing Bidder.
- 4.7.5 Notwithstanding the return to a Losing Bidder of its Deposit in accordance with paragraph 4.7.3, that Losing Bidder shall continue to comply with those terms and conditions of this Notice as are specified by the Authority. If the Authority does not specify any terms and conditions in accordance with this paragraph, the Losing Bidder shall be required to comply with all of the terms and conditions of this Notice as appropriate.

Purpose

- 4.7.6 The purpose of the Third Phase is to provide a procedure to determine:
- (a) the respective priority rights of each Third Phase Bidder in relation to the allocation of Frequency Bands; and
 - (b) the bid which shall form part of the Spectrum Utilization Fee payable by each Third Phase Bidder.

Structure of the Third Phase

- 4.7.7 Subject to paragraph 4.7.2, the Third Phase shall start on the date, at the time and at the Auction Location notified to the Third Phase Bidders in the Third Phase Notice.
- 4.7.8 the Third Phase shall consist of the period of time notified in the Third Phase Notice during which each Third Phase Bidder shall notify the Authority (using a duly completed Bidding Form and the communications method specified by the Authority) of a valid bid for a Frequency Band subject to the Third Phase Reserve Price. A valid bid shall consist of any cash amount expressed in Hong Kong dollars and whole cents and, for the avoidance of doubt, can be at the Third Phase Reserve Price.
- 4.7.9 Following the submission of the bids pursuant to paragraph 4.7.8, the Third Phase Bidders shall be entitled to select (by notifying the Authority using a duly completed Bidding Form and the communications method specified by the Authority) a Frequency Band according to the value of their respective bids such that the Third Phase Bidder which made the highest value bid shall be entitled to make its selection first. The Authority shall notify each Third Phase Bidder of the order in which it is entitled to make its selection in accordance with this paragraph after the submission of bids pursuant to paragraph 4.7.8 (the "Selection Notice"). If two or more Third Phase Bidders bid the same bid ("Third Phase Tied Bidders"), the Authority shall, by notice to the Third Phase Tied Bidders, conduct an auction in the form of a Sub-Auction in accordance with paragraphs 4.6.6 to 4.6.9 to determine the order (as between the Third Phase Tied Bidders) in which those Third Phase Tied Bidders may make their respective selections in accordance with this paragraph so that references to:
- (a) Connected Bidder shall be to Third Phase Tied Bidder;
 - (b) Second Phase Notice shall be to a notice of the Authority sent to the Third Phase Tied Bidders pursuant to this paragraph; and
 - (c) participation in the Third Phase shall be to the determination of the order in which the Frequency Bands are selected.

Consequences of failure to notify

- 4.7.10 If a Third Phase Bidder does not notify the Authority in accordance with paragraph 4.7.8, it shall be deemed to have notified the Authority of the lowest bid which is equal to the Third Phase Reserve Price with respect to all of the Third Phase Bidders. If one or more Third Phase Bidders are deemed to have made the lowest bid, the Authority shall employ a random method to determine the order in which those Third Phase Bidders shall be entitled to select a Frequency Band in accordance with paragraph 4.7.9 and shall notify the relevant Third Phase Bidders of that order.

Selection of Frequency Bands and consequences of failure to make a selection

- 4.7.11 Each Third Phase Bidder shall be entitled to a period of time specified by the Authority to make its selection in accordance with paragraph 4.7.9. If a Third Phase Bidder fails to make a selection in accordance with paragraph 4.7.9, the Third Phase Bidder entitled to make its selection immediately after that Third Phase Bidder shall make its selection following which the selection process shall revert to the order established pursuant to paragraph 4.7.9. If a Third Phase Bidder does not make a selection pursuant to this paragraph, the Authority shall employ a random method to determine which Frequency Band is allocated to each Third Phase Bidder, after having allocated a Frequency Band to each Third Phase Bidder which has made a selection in accordance with paragraph 4.7.9.

PART 5 - GRANT STAGE

Section 1 - Preliminary

Notification of any Approval

- 5.1.1 Within two Business Days after receipt of a Provisional Successful Bidder Notice or Revised Successful Bidder Notice, as the case may be, each Third Phase Bidder shall notify the Authority whether it is subject to an Approval and, if so, the details of that Approval.
- 5.1.2 A Third Phase Bidder who notifies the Authority under paragraph 5.1.1 that it is not subject to an Approval may be entitled to a grant of the relevant Licence in accordance with paragraph 5.2.1.
- 5.1.3 A Third Phase Bidder who notifies the Authority under paragraph 5.1.1 that it is subject to an Approval may not be entitled to a grant of the relevant Licence unless and until the time that it notifies the Authority that it is no longer subject to an Approval.
- 5.1.4 On notifying the Authority in accordance with paragraph 5.1.3, the Third Phase Bidder shall provide written evidence that the Approval notified by that Third Phase Bidder under paragraph 5.1.1 has been satisfied.
- 5.1.5 If a Third Phase Bidder does not notify the Authority in accordance with paragraph 5.1.2, the Authority may, in his discretion and without prejudice to the provisions of any law or ordinance and paragraph 6.1.1, forfeit an amount by way of Penalty from that Third Phase Bidder's Deposit.

- 5.1.6 A Third Phase Bidder who does not obtain an Approval by the Approval Date shall not be entitled to the grant of a Licence and all of that Third Phase Bidder's Deposit shall be forfeit as a Penalty unless that Bidder is able to demonstrate to the satisfaction of the Authority that it has used its best endeavours to obtain a waiver of that Approval within the time period specified in the definition of "Approval Date" contained in paragraph 1.2.1 of this Notice. The Authority may, if he is satisfied in accordance with this paragraph, extend that time period up to a period of six months after the date of the Third Phase Notice.

Section 2 - Grant of licences

Grant of Licence to Bidders

- 5.2.1 After the later of the date on which:

- (a) the last of the set of Frequency Bands is selected under paragraph 4.7.9; and
- (b) the date on which the Authority receives notification from a Third Phase Bidder
 - (i) in accordance with paragraph 5.1.1, that it is no longer subject to an Approval; or
 - (ii) in accordance with paragraph 5.1.3, that it is not subject to an Approval,

the Authority may, subject to the compliance (if applicable) by that Bidder of the terms and conditions of this Notice, grant that Third Phase Bidder the Licence which relates to the Frequency Band selected by, or allocated to, that Third Phase Bidder in accordance with paragraph 4.7.9.

- 5.2.2 The Authority shall give a Third Phase Bidder at least three Business Days prior notice of the date on which he intends to grant the Third Phase Bidder a Licence.

Duties of Bidders on grant

- 5.2.3 Subject to paragraphs 5.2.4 and 5.2.5, on the grant of a Licence to a Third Phase Bidder that Third Phase Bidder shall:

- (a) pay to the Authority in cash a sum which shall be equal to the aggregate of those parts of the Spectrum Utilization Fee referred to in the Conditions (together the "Cash Sums") less, where the Deposit is in cash either:
 - (i) the Deposit; or
 - (ii) if amounts have been forfeited from the Deposit, a sum representing the balance of the Deposit, if any;
- (b) provide to the Authority a Performance Bond in accordance with the Conditions; and
- (c) provide to the Authority the relevant 2G Licence which is the subject of the Roaming Consent Letter (if any) which it provided to the Authority in

accordance with paragraph 2.1.2 so that the Authority can amend the 2G Licence by an appropriate endorsement.

- 5.2.4 Where the Deposit is in cash, if the Deposit referred to in paragraph 5.2.3 (a)(i), or the sum calculated in accordance with paragraph 5.2.3(a)(ii), as the case may be, is greater than the Cash Sums, the Authority shall deduct an amount equal to the Cash Sums and shall pay to the Third Phase Bidder an amount equal to the Deposit or the balance of the Deposit, as the case may be, less the Cash Sums.
- 5.2.5 Where the Deposit is a Letter of Credit, the Authority shall return the Letter of Credit to the relevant Third Phase Bidder provided that, if the Third Phase Bidder does not comply with paragraph 5.2.3(a), the Authority shall make a claim under the Letter of Credit to the extent of an amount equal to the Cash Sums.
- 5.2.6 The Authority shall not grant a Licence to a Third Phase Bidder nor pay the sum referred to in paragraph 5.2.4 unless the Bidder has provided a Performance Bond in accordance with paragraph 5.2.3(b) and the relevant 2G Licence in accordance with paragraph 5.2.3(c).

Cancellation, withdrawal or suspension

- 5.2.7 The Authority may cancel, withdraw or suspend a Licence pursuant to Special Condition 20, 21 and 22 of the Conditions.

PART 6 - ACTIVITY RULES

Section 1 - General

Breach of Notice

- 6.1.1 Each Bidder shall comply with the terms and conditions of this Notice. Without prejudice to any other rights or remedies of the Authority under this Notice or otherwise, if a Bidder or any of its Insiders, breaches one or more of the provisions of this Notice, the Authority may, in his discretion:
- (a) disqualify that Bidder from the Auction by notice to that Bidder; or
 - (b) forfeit an amount (up to the full amount of a Bidder's Deposit) by way of Penalty from a Bidder's Deposit where the Deposit is in cash or make a claim under the Letter of Credit to the extent of the relevant amount where the Deposit is a Letter of Credit,
- or both.
- 6.1.2 If a Bidder is disqualified, that Bidder shall no longer be entitled to participate in the Auction but shall continue to comply with those terms and conditions of this Notice as specified by the Authority. If the Authority does not specify any terms and conditions in accordance with this paragraph, the Bidder shall be required to comply with all of the terms and conditions of this Notice as appropriate.

Return of Deposit

6.1.3 If a Bidder is disqualified, the Authority shall return that disqualified Bidder's Deposit provided that if any amounts have been forfeited by way of Penalty by the Authority in accordance with the terms and conditions of this Notice with respect to that disqualified Bidder:

- (a) where the Deposit is in cash, the Deposit shall be returned less the aggregate amount of those Penalties; and
- (b) where the Deposit is a Letter of Credit, the Authority shall make a claim under the Letter of Credit to the extent of the aggregate amount of those Penalties.

Notwithstanding the return to a disqualified Bidder of its Deposit in accordance with this paragraph, that disqualified Bidder shall continue to comply with those terms and conditions of this Notice as are specified by the Authority. If the Authority does not specify any terms and conditions in accordance with this paragraph, the disqualified Bidder shall be required to comply with all of the terms and conditions of this Notice as appropriate.

Effect on other Bidders

6.1.4 The disqualification of a Bidder shall not, subject to paragraph 6.1.5, affect the position of any other Bidder for the purposes of the Auction.

Consequences of disqualification

6.1.5 If, as a result of the disqualification of a Bidder at any time after the start of the First Phase as set out in the Bidder Participation Notice up to the start of the Third Phase specified in the Third Phase Notice, there are fewer than the Requisite Number of Provisional Successful Bidders which shall participate in the Third Phase, subject to paragraph 4.6.20, such number of Qualified Bidders which are neither Provisional Successful Bidders nor Revised Provisional Successful Bidders (the "Withdrawn Bidders") (if any) shall re-enter the Auction so that the number of Provisional Successful Bidders is equal to the Requisite Number or, where there are insufficient Withdrawn Bidders to re-enter the Auction pursuant to this paragraph to obtain the Requisite Number of Provisional Successful Bidders, all the Withdrawn Bidders shall re-enter the Auction pursuant to this paragraph. The Withdrawn Bidders shall re-enter the Auction according to the amount of their respective Final Offers (including, without limitation any Final Offers which are deemed under the terms and conditions of this Notice) so that the Bidder with the highest Final Offer shall re-enter the Auction first. The Applicable Royalty Percentage for the purposes of paragraph 4.5.2 shall, in these circumstances, be the aggregate of:

- (a) the highest Final Offer of all of the Withdrawn Bidders other than the Withdrawn Bidders which re-enter the Auction pursuant to this paragraph (the "Relevant Withdrawn Bidder"); and
- (b) a percentage equal to 0.01 per cent.

If there is no Relevant Withdrawn Bidder, the Applicable Royalty Percentage shall be the First Phase Reserve Price.

- 6.1.6 If there would be more than the required number of Withdrawn Bidders to obtain the Requisite Number of Provisional Successful Bidders as a result of two or more Withdrawn Bidders having made the same Final Offer ("Tied Withdrawn Bidders"), the Authority shall, by notice to the Tied Withdrawn Bidders, conduct a Tied Bidding Round for the Tied Withdrawn Bidders (the "Tied Withdrawn Bidder Procedure") in accordance with paragraph 6.1.7 provided that the Tied Withdrawn Bidder Procedure is necessary to determine which of the Tied Withdrawn Bidders shall re-enter the Auction to obtain the Requisite Number of Provisional Successful Bidders.
- 6.1.7 In the Tied Bidding Round, each of the Tied Withdrawn Bidders shall notify the Authority (using a duly completed Bidding Form and the communications method specified by the Authority) of a further Final Offer (a "Revised Final Offer") between (and including) its Final Offer up to and including:
- (a) if, at the start of the Tied Bidding Round, there is no Provisional Successful Bidder or Revised Provisional Successful Bidder which has made a Final Offer, the lowest Royalty Percentage of the Bidding Round immediately following the Final Bidding Round as set out in the Bidding Schedule; and
 - (b) if, at the start of the Tied Bidding Round, there is one or more Provisional Successful Bidders or Revised Provisional Successful Bidders which have made a Final Offer, the Final Offer, or the lowest Final Offer, of such Provisional Successful Bidder or Bidders or Revised Provisional Successful Bidder or Bidders, as the case may be.
- 6.1.8 The Tied Withdrawn Bidder which notifies the Authority of the highest Revised Final Offer pursuant to paragraph 6.1.7 shall re-enter the Auction (the "Successful Tied Withdrawn Bidder") or, if more than one Successful Tied Withdrawn Bidder is required to re-enter the Auction pursuant to paragraph 6.1.5 to obtain the Requisite Number of Provisional Successful Bidders for the purposes of paragraph 4.5.1(b), the relevant number of Tied Withdrawn Bidders which notified the Authority of the highest Revised Final Offers to obtain the Requisite Number of Provisional Successful Bidders shall be the Successful Tied Withdrawn Bidders. The Applicable Royalty Percentage for the purposes of paragraph 4.5.2 shall, in these circumstances, be the aggregate of:
- (i) the highest Revised Final Offer of all of the Tied Withdrawn Bidders other than the Successful Tied Withdrawn Bidder or Bidders; and
 - (ii) the percentage equal to 0.01 per cent.
- 6.1.9 If a Tied Withdrawn Bidder does not notify the Authority in accordance with the Tied Withdrawn Bidder Procedure, it shall be deemed to have notified the Authority of a Revised Final Offer equal to its Final Offer.
- 6.1.10 The Successful Tied Withdrawn Bidder or Bidders shall, subject to the procedures in the Second Phase which apply to Connected Bidders, participate in the Third Phase. If two or more of the Tied Withdrawn Bidders make, pursuant to paragraph 6.1.7, or are deemed to have made, pursuant to paragraph 6.1.9, the same Revised Final Offer ("Further Tied Withdrawn Bidders"), the Authority shall employ a random method to determine which of the Further Tied Withdrawn Bidder or Bidders shall, subject to

the procedures in the Second Phase which apply to Connected Bidders, participate in the Third Phase provided that the employment of a random method is necessary to determine which of the Further Tied Withdrawn Bidders shall be the Successful Tied Withdrawn Bidder or Bidders to obtain the Requisite Number of Provisional Successful Bidders. The Applicable Royalty Percentage for the purposes of paragraph 4.5.2 shall, in these circumstances, be the Revised Final Offer of the Further Tied Withdrawn Bidders.

Section 2 - Participation in Auction

- 6.2.1 Each Qualified Bidder shall participate in the Auction in good faith in accordance with the terms and conditions of this Notice including, without limitation, complying with the detailed provisions relating to bidding in the First Phase, Second Phase and Third Phase and the process set out in Part 5.

Section 3 - Submission of false or misleading information

- 6.3.1 No Bidder shall submit to the Authority any information (including, without limitation, in an Application) in connection with the Auction which that Bidder either knows to be false or misleading or which is false or misleading and which has been provided negligently by the Bidder.

Section 4 - Changes in Application

Changes to Bidder's Application

- 6.4.1 Subject to paragraph 6.4.2, no change shall occur in the contents of a Bidder's Application Form except as a result of:
- (a) a person ceasing to be a shareholder, directly or indirectly, of that Bidder; or
 - (b) merger or acquisition activity of, or affecting, a Bidder or any of its direct or indirect shareholders (which shall be deemed to include the establishment of a new body corporate) provided that such Bidder has demonstrated to the reasonable satisfaction of the Authority that none of the purposes of that activity is related to the Auction.

Duty to notify the Authority

- 6.4.2 If any change shall occur with regard to a Bidder which affects the information submitted in that Bidder's Application Form whether or not that change is, or would otherwise be but for paragraphs 6.4.1(a) and (b), a breach of the Activity Rules, that Bidder shall immediately notify the Authority and, within two Business Days after that change, submit to the Authority:
- (a) a revised Application Form; and
 - (b) a Bidder Compliance Certificate.

Section 5 - Confidentiality and Non-Collusion

Confidential Information

- 6.5.1 None of a Bidder nor its Insiders shall convey, or attempt to convey, or cause or permit any person to convey, any Confidential Information, whether directly or indirectly, to any other person or enter into or attempt to enter into any arrangement, agreement or understanding for any of those purposes, without the prior written consent of the Authority.
- 6.5.2 Subject to paragraph 6.5.3 and 6.5.4, a Bidder shall not publish any Confidential Information nor disclose or disseminate any Confidential Information to any person other than to the Bidder's senior executives and those of the Bidder's professional advisers who, in each case, need to know the Confidential Information for the purpose of evaluating, negotiating or advising in connection with the Auction.
- 6.5.3 The Bidder shall procure that each person to whom disclosure of Confidential Information is made as permitted under paragraphs 6.5.2 and 6.5.4 is made aware (in advance of the relevant disclosure) of the provisions of paragraphs 6.5.1 and 6.5.2 and this paragraph and the Bidder shall use its best endeavours to procure that each of those persons adheres to those provisions.
- 6.5.4 Subject to paragraph 6.5.3, a Bidder is not prevented from using or disclosing Confidential Information:
- (a) if the Bidder is required to do so by the law of Hong Kong;
 - (b) if the Bidder is required to do so by the law of any place outside Hong Kong, The Stock Exchange of Hong Kong Limited, the Commission or other governmental or regulatory or supervisory body of competent jurisdiction to whose rules and regulations (not having the force of law) the Bidder is subject provided that the relevant Bidder has received the prior written consent of the Authority;
 - (b) if it is required to be disclosed to the Authority in accordance with the provisions of this Notice or otherwise; or
 - (c) if the use or disclosure is required for the Bidder (if it is a Provisional Successful Bidder or Revised Provisional Successful Bidder) to obtain an Irrevocable Undertaking in relation to it provided that the use or disclosure is restricted to those persons and those persons' senior employees and professional advisers who, in each case, need to know the Confidential Information for the purpose of enabling the Bidder to obtain that Irrevocable Undertaking.
- 6.5.5 None of a Bidder nor its Insiders shall receive or attempt to receive advice regarding the Auction from any person who has been retained by the Government to provide it with advice regarding the Auction since 1st January, 2001 (an "Adviser") including, without limitation, any person retained by an Adviser for that purpose provided that this shall not prevent a provider or prospective provider of finance, directly or indirectly, to a Bidder from receiving advice for that purpose from an Adviser to the Government, in circumstances where the provider or prospective provider of finance becomes an Insider in that capacity and is not itself a Bidder.

Meaning of Confidential Information

6.5.6 Confidential Information means:

- (a) unpublished information of whatever nature directly or indirectly relating to any proposed Final Offer or bid of a Bidder (the "First Bidder"), whether in writing or oral, which if it were made public, or made known to any other Bidder (the "Second Bidder") or its Insiders, would be reasonably expected to have an effect on the Final Offer or any bid which the Second Bidder proposes to make, including, without limitation, the First Bidder's interest or participation in the Auction, business case, auction strategy, the highest Final Offer and any bid that it is willing to make and the respective business cases (if any) of its Insiders relating to the First Bidder's proposed Final Offer and any bid that it is willing to make; and
- (b) any information relating to the Auction which has been provided by or to the Authority or otherwise including, without limitation, the details of the Final Offer of any Bidder,

but excluding:

- (i) information which is in, or which comes into, the public domain other than as a breach by any Bidder or its Insider, of the Activity Rules;
- (ii) information received by a director or employee of a person which holds shares in a Bidder (the "First Bidder") prior to the later of the Application Dates which relates to another Bidder (the "Second Bidder") of which he is also a director or employee for the purpose of considering whether the First Bidder should participate in the Auction with the Second Bidder; and
- (iii) information provided prior to the Application Date by a Bidder (the "First Bidder") or its Insiders to another Bidder (the "Second Bidder") or its Insiders for the purpose of enabling the Second Bidder to decide whether to participate in the Auction with the First Bidder.

Directors, employees and agents

6.5.7 If any person who is a director, employee or agent of a Bidder or any person who is an Insider in relation to that Bidder, is also a director, employee or agent of another Bidder or any person who is an Insider in relation to that other Bidder, the first-mentioned Bidder shall ensure that the person:

- (a) does not take part in preparing both Bidders or their respective Insiders for participation in the Auction;
- (b) is not in possession of, and does not receive, Confidential Information relating to both Bidders; and
- (c) does not pass Confidential Information relating to one Bidder to another Bidder or its Insiders.

Non-collusion

6.5.8 None of a Bidder nor its Insiders shall:

- (a) co-operate, collaborate, collude or discuss with, or disclose to, any other Bidder or any of its Insiders for any purpose relating to the Auction including, without limitation, in connection with the substance of that Bidder's Final Offer or bidding strategy; nor
- (b) manipulate or attempt to manipulate or make any arrangements to manipulate the Auction in any way with a view to achieving a particular result or outcome of the Auction.

Section 6 - Anti-competitive activity

Prohibited arrangements

6.6.1 None of a Bidder nor its Insiders shall enter into, or permit to subsist, any agreement, arrangement or understanding with an equipment provider or software supplier which:

- (a) places, or would place, any restriction on the supplier as to the quantities of equipment or software which it supplies or offers to supply to another Bidder for the purposes of planning, building or operating a network which is to be operated in accordance with one of the Licences; or
- (b) places, or would place, any restriction as to the prices or other terms and conditions on which that equipment or software is supplied or offered to be supplied for the purpose referred to in subparagraph (a) to any other Bidder.

Section 7 - Prevention of bribery

6.7.1 If any Bidder or any of its Insiders acts contrary to the Prevention of Bribery Ordinance (Cap. 201) insofar as that Ordinance applies to the Auction including, without limitation, sections 6, 7 and 12A, that Bidder shall be deemed to be in breach of the Activity Rules.

Section 8 - Duty to abide by undertakings

6.8.1 Where a Bidder has given any certificate, undertaking, representation, warranty or declaration in accordance with any provision of this Notice, it shall comply with that certificate, undertaking and declaration and ensure that each certificate, declaration, representation and warranty remains true and accurate.

PART 7 - MISCELLANEOUS

Suspension and cancellation

7.1.1 The Authority can suspend or cancel the Auction at any time by notification to all Bidders or Qualified Bidders, as the case may be.

General power of disqualification

- 7.1.2 The Authority may at any time disqualify any Bidder from the Auction if, in his opinion, that Bidder is not a fit and proper person to hold a Licence.

Means of notification by the Authority

- 7.1.3 If, in accordance with any provision of this Notice, the Authority is required, or wishes to notify a Bidder of any fact or circumstance, he may do so, unless otherwise specified in this Notice, by any means. Any notification by the Authority shall be in the English language.

Means of notification to the Authority

- 7.1.4 If in accordance with any provision of this Notice a Bidder is required, or wishes, to notify the Authority of any fact or circumstance, it shall do so by either:
- (a) written notification marked for the attention of the Authority and sent to the Auction Location; or
 - (b) fax to one of the numbers notified to the Bidder for this purpose by the Authority.

Any notification to the Authority shall be in the English language.

- 7.1.5 If a Bidder sends any notification to the Authority and notification is received after 5 p.m. on a Business Day, it shall be deemed to have been received by the Authority at 9 a.m. on the next Business Day. If a tropical cyclone warning No. 8 or above or a "black" rainstorm warning is in force in Hong Kong on any Business Day on which a Bidder sends a notification to the Authority or on any Business Day on which a notification is deemed to have been received by the Authority, it shall be deemed to have been received by the Authority on the next Business Day on which none of the signals remains in force.
- 7.1.6 Paragraphs 7.1.4 and 7.1.5 shall not apply to any notification made to the Authority under any Bidding Round, Tied Bidding Round or period of time specified by the Authority in Part 4 for receipt of notifications relating to:
- (a) remaining, withdrawing making a Final Offer or Revised Final Offer with respect to a Bidding Round or Tied Bidding Round; and
 - (b) making a valid bid consisting of a cash amount,
- (together a "Bidding Notification").
- 7.1.7 Any Bidding Notification by a Bidder to the Authority shall be in the English language and be received by the Authority before the end of the relevant Bidding Round, Tied Bidding Round or period of time specified by the Authority in Part 4 for receipt of Bidding Notifications, as the case may be.
- 7.1.8 A Bidder which makes a Bidding Notification which is not in accordance with the terms and conditions of this Notice shall be deemed not to have made a Bidding Notification.

Publication of information

- 7.1.9 Subject to paragraph 7.1.10, where the Authority provides any information to a Bidder under any provision of this Notice, whether or not that information originated from that Bidder, he may publish that information in any manner which he thinks fit.
- 7.1.10 Subject to any other provision of this Notice, the Authority shall not publish information which is provided to him by a Bidder which that Bidder has asked him in writing to treat as confidential, if the Authority is of the opinion that the request is reasonable in the interests of the Bidder and not to publish the information would not unfairly prejudice other Bidders or be detrimental to the Auction.

Change of authorised personnel

- 7.1.11 If a Bidder wishes to substitute one or more of the authorised personnel notified to the Authority in its Application Form required to be submitted under paragraph 2.1.2, it may do so at any time on notification of the details of that change to the Authority in accordance with paragraph 6.4.2. A substitution made in accordance with this paragraph shall take effect on receipt by the Authority of the revised Application Form and Bidder Compliance Certificate submitted in accordance with paragraph 6.4.2.

Additional information

- 7.1.12 The Authority may notify any Bidder of a reasonable request for additional information or documents relating to its Application with a reasonable time limit for the Bidder to submit that information or those documents to the Authority.
- 7.1.13 On receipt of a request made pursuant to paragraph 7.1.12, a Bidder shall use its best endeavours to provide the information or documents within the time limit specified.
- 7.1.14 If a Bidder fails to comply with paragraph 7.1.13, the Authority may refuse to determine that Bidder as a Qualified Bidder in accordance with section 2 of Part 3.

Interpretation

- 7.1.15 The Authority shall be entitled to interpret conclusively the terms and conditions of this Notice and the validity of any act made pursuant to them in the event of any question, difference of opinion or dispute over those terms and conditions.

Modifications to Notice

- 7.1.16 The Authority may make modifications to the terms and conditions of this Notice:
- (a) to correct any manifest error;
 - (b) to correct any inconsistency; or
 - (c) to address circumstances not contemplated by the Authority on the date of this Notice but which are nevertheless within the overall purpose of the Ordinance, the Regulation and the terms and conditions of this Notice.

Bidding Forms

7.1.17 Each Bidding Form submitted by a Bidder to the Authority in accordance with this Notice is and shall remain the property of the Authority.

Powers of Authority to issue Licences

7.1.18 Nothing in this Notice shall limit the power of the Authority to issue any licence pursuant to section 7 of the Ordinance or otherwise fetter his powers under the Ordinance.

Waiver

7.1.19 Any delay by the Authority in exercising or enforcing any of its powers under this Notice shall not constitute a waiver of those powers.

SCHEDULE 1

Reserve Prices

First Phase Reserve Price	5%
Second Phase Reserve Price	HK\$ zero
Third Phase Reserve Price	HK\$ zero

SCHEDULE 2

Conditions of Licence

The Conditions of the Licence follow. The page numbering is not part of the page numbering of this Notice.

**TELECOMMUNICATIONS ORDINANCE
(Cap. 106)**

MOBILE CARRIER LICENCE

DATE OF ISSUE:

.....

of

(the "licensee") is licensed, subject to the following conditions set out in this licence-

- (a) to provide a public telecommunications network service (the "service"), the scope of which is described in Schedule 1;
- (b) to establish and maintain a telecommunications network (the "network") described in Schedule 2 to provide the service;
- (c) to possess and use the radiocommunications installations described in Schedule 3 to provide the service; and
- (d) to deal in, import and demonstrate, with a view to sale in the course of trade or business, such apparatus or material for radiocommunications as may be necessary to supply customers of the service.

GENERAL CONDITIONS

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this licence, except as hereinafter provided or unless the context otherwise requires, words or expressions shall have the meanings assigned to them in

the Telecommunications Ordinance (Cap. 106) (the "Ordinance") and, as the case may be, the Interpretation and General Clauses Ordinance (Cap. 1). For the purposes of interpreting this licence, headings and titles shall be disregarded.

- 1.2 This licence shall not be construed as granting an exclusive right to the licensee to provide the service.
- 1.3 This licence replaces any licence or any exemption from licensing, however described, which the Authority may have granted to the licensee for providing the service.
- 1.4 The grant of this licence does not authorize the licensee to do anything which infringes any exclusive licence granted under the Ordinance or any exclusive right to operate and provide telecommunications networks, systems, installations or services granted under any other Ordinance.

2. TRANSFER

- 2.1 The licensee may, only with the prior written consent of the Authority and subject to such reasonable conditions as the Authority thinks fit, transfer this licence or any permission, right or benefit under this licence. In giving his consent the Authority will have regard to such matters as he thinks fit including but not limited to the effect which the transfer will have on market structure and the financial and technical competence and viability of the transferee.

3. INTERNATIONAL CONVENTIONS

- 3.1 The licensee shall at all times perform and observe the requirements of the Constitution and Convention of the International Telecommunication Union and the regulations and recommendations annexed to it, as are stated to be applicable to Hong Kong, and any other international convention, agreement, protocol, understanding or the like to the extent that the instruments described in this General Condition 3.1 impose obligations on Hong Kong of which the Authority gives notice to the licensee, except to the extent that the Authority may in writing exempt the licensee from such compliance.

- 3.2 Where the Government has been consulted about or is involved in the preparation or negotiation of an international convention, agreement, protocol or understanding or the like or amendments thereto which are on the subject-matter of telecommunications or which relate to another subject-matter but which the Government anticipates could have a material impact on the provision of the service under this licence, the Government will, where practicable, provide the licensee with a reasonable opportunity to make a submission stating its views on the matter.

4. COMPLIANCE GENERALLY

- 4.1 The licensee shall comply with the Ordinance, regulations made under the Ordinance, licence conditions or any other instruments which may be issued by the Authority under the Ordinance.

5. PROVISION OF SERVICE

- 5.1 The licensee shall, subject to Schedule 1 to this licence and any special conditions of this licence relating to the provision of the service, at all times during the validity period of this licence operate, maintain and provide a good, efficient and continuous service in a manner satisfactory to the Authority. The Authority may, on application in writing by the licensee, exempt a part or parts of the service from the requirement of continuous provision.

6. CUSTOMER CHARTER

- 6.1 Unless a waiver in writing is granted by the Authority, the licensee shall prepare a customer charter which sets out the minimum standards of service to the licensee's customers and gives guidance to the employees of the licensee in their relations and dealings with customers.

7. CONFIDENTIALITY OF CUSTOMER INFORMATION

7.1 The licensee shall not disclose information of a customer except with the consent of the customer, which form of consent shall be approved by the Authority, except for the prevention or detection of crime or the apprehension or prosecution of offenders or except as may be authorized by or under any law.

7.2 The licensee shall not use information provided by its customers or obtained in the course of provision of service to its customers other than for and in relation to the provision by the licensee of the service.

8. RECORDS AND PLANS OF NETWORK

8.1 The licensee shall keep records and plans (including overall network plans and cable route maps) of the telecommunications installation (including radiocommunications installation) and telecommunications nodes and exchanges, if any, provided under this licence and any other details concerning the network as may be reasonably required by the Authority, including but not limited to information from operational support systems, traffic flow information, and database information relating to the manner in which the network treats any communication ("network information").

8.2 As required by the Authority, the licensee shall make the network information available, within reasonable time, to the Authority or to a person authorized in writing by the Authority for inspection for the Authority's own purposes.

9. CONTROL OF INTERFERENCE AND OBSTRUCTION

9.1 The licensee shall take reasonable measures to install, maintain and operate the service and the network in such a manner as not to cause any harmful interference or physical obstruction to any lawful telecommunications service, or cause any physical obstruction to the installation, maintenance, operation, adjustment, repair, alteration, removal or replacement of the facilities of any lawful telecommunications or utility service provider.

9.2 The licensee shall take reasonable measures to ensure that the customers of the service do not cause harmful interference to lawful telecommunications services or utility services through use of the service.

9.3 The Authority may give such reasonable directions as he thinks fit to avoid harmful interference or physical obstruction referred to in General Condition 9.1. The licensee shall comply with the directions.

10. RESTRICTIONS ON ATTACHMENT TO PUBLIC BUILDINGS AND TREES

10.1 No part of the network shall be attached to any Government building except with the prior written consent of the Government Property Administrator, or to any tree on any Government land except with the prior written consent of the Director of Agriculture, Fisheries and Conservation, or the Director of Leisure and Cultural Services.

11. COMPLIANCE

11.1 If the licensee employs any person under contract for the purpose of the service, or for the installation, maintenance or operation of the network (a "contractor"), the licensee shall continue to be responsible for compliance with the conditions of this licence, and the performance thereof, by any contractor.

12. REQUIREMENTS OF RADIOCOMMUNICATIONS INSTALLATION

12.1 Each radiocommunications installation operated by or on behalf of the licensee shall be used only at the location and with emissions and at the frequencies and of the classes and characteristics specified in Schedule 3 to this licence and with such power and aerial characteristics as are specified in that Schedule in relation to the class and characteristics of the emission in use.

12.2 The apparatus comprised in each radiocommunications installation shall at all times comply with such technical standards as may be issued by the Authority.

- 12.3 The apparatus comprised in a radiocommunications installation shall be of a type approved by the Authority and shall be so designed, constructed, maintained and operated that its use shall not cause any interference to any radiocommunications.
- 12.4 A radiocommunications installation shall be operated only by the licensee or a person authorized by the licensee. The licensee shall not allow an unauthorized person to have access to the apparatus comprised in a radiocommunications installation. The licensee shall ensure that persons operating each radiocommunications installation shall at all times observe the conditions of this licence.
- 12.5 The licensee shall not make a change –
- (a) to any radiocommunications installation; or
 - (b) of the location of any radiocommunications installation, without the prior written approval of the Authority.
- 12.6 If any telecommunications installation (including radiocommunications installation) crosses above or may fall or be blown onto any overhead power wire (including electric lighting and tramway wires) or power apparatus it shall be guarded to the reasonable satisfaction of the owner of the power wire or power apparatus concerned.

13. USE OF FREQUENCIES

- 13.1 The radiocommunications installation operated by or on behalf of the licensee shall only be operated on such frequencies as the Authority may assign.

14. SAFETY

- 14.1 The licensee shall take proper and adequate safety measures for the safeguarding of life and property in connection with all installations, equipment and apparatus operated or used, including safeguarding against exposure to any electrical or radiation hazard emanating from the installations, equipment or apparatus operated or used under this licence.

- 14.2 The licensee shall comply with the safety standards and specifications as may from time to time be prescribed by the Authority and any directions of the Authority in relation to any safety matter.

15. PROHIBITION OF CLAIMS AGAINST GOVERNMENT

- 15.1 The licensee shall have no claim against the Government in tort or in contract in respect of any disturbance or interruption to any part of the network due to works carried out by or on behalf of the Government which result in disturbance to the network.

16. INDEMNITY

- 16.1 The licensee shall indemnify the Government against any losses, claims, charges, expenses, actions, damages or demands which the Government incurs or which may be made against the Government as a result of or in relation to the activities of the licensee or any employee, agent or contractor of the licensee in relation to the provision of the service or the installation, maintenance and operation of the network.

17. CONTRAVENTION BEYOND LICENSEE'S CONTROL

- 17.1 The licensee shall not be liable for any breach of this licence where it is able to demonstrate, to the reasonable satisfaction of the Authority, that the breach was caused by circumstances beyond its control and that it has taken all reasonable steps open to it to rectify that breach.

- 17.2 Where the circumstances referred to in General Condition 17.1 are such that there is an outage or interruption in the service affecting a significant number of the licensee's customers for a period of more than 7 days, the licensee shall provide the Authority with a full report in writing detailing the reasons for the breach and indicating when, or if, it will be able to continue to provide the service.

- 17.3 If the Authority is, after considering a report provided under General Condition 17.2, of the reasonable belief that the licensee would be able to provide the service within a reasonable period of time despite the circumstances outlined in that report, the Authority may direct that the

licensee recommence the service within such reasonable period as the Authority may in writing direct. The licensee shall comply with such direction.

18. PUBLICATION OF LICENCE

- 18.1 The licensee, or the Authority, may at their discretion make the terms and conditions of this licence, including any specific conditions, publicly available in any manner they think fit.

SPECIAL CONDITIONS

1. AVAILABILITY OF NETWORK AND SERVICE

- 1.1 The licensee shall install, maintain and use equipment for the purposes of the network and the service such that:
- (a) coverage of the network and service shall be provided by the licensee by not later than 31st December, 2006 and maintained after that date to an area where at least 50% of the population of Hong Kong live from time to time; and
 - (b) all base stations to be installed shall be configured so as to be capable of supporting services operating at a minimum of 144 kbits per second for an individual customer, being the speed at which information is transferred across the air interface from the base station to the customers' apparatus connected to the network of the licensee and vice versa.
- 1.2 The licensee shall provide such information in such manner and at such times as the Authority may require to demonstrate its compliance with Special Condition 1.1.
- 1.3 The licensee shall not share the use of the network or any part of it with any other MNO unless prior written consent has been given by the Authority or such network sharing is in conformity with guidelines issued by the Authority from time to time.

2. PAYMENT OF SPECTRUM UTILIZATION FEES

2.1 The licensee shall pay the Spectrum Utilization Fees which shall be, in aggregate:

(a) for each of the first five Royalty Years from the date of issue of this licence, the Appropriate Fee in respect of the relevant Royalty Year; [and]

(b) for each of the remaining Royalty Years of this licence:

(i) []% multiplied by the Network Turnover or the Revised Network Turnover referred to in Special Condition 7.7, as the case may be, in respect of the relevant Royalty Year; or

(ii) the Appropriate Fee in respect of the relevant Royalty Year,

whichever is the greater;

(c) [HK\$[]]; [and]

(d) HK\$[].]

2.2 The licensee shall pay to the Authority the Spectrum Utilization Fees:

(a) referred to in Special Condition 2.1(a) at the end of each Royalty Year; [and]

(b) referred to in Special Condition 2.1(b) in accordance with Special Condition 2.3; and

(c) referred to in Special Condition 2.1(c) and (d) on the date of issue of this licence].

2.3 At the end of each Royalty Year after the fifth Royalty Year, the licensee shall pay to the Authority the Appropriate Fee for the relevant Royalty Year. Within a specified number of days as determined by the Authority after the end of each Royalty Year after the fifth Royalty Year, the licensee shall send to the Authority details of its Network Turnover for the relevant Royalty Year

derived from its Accounts for that Royalty Year. If the amount calculated in accordance with Special Condition 2.1(b)(i) for a Royalty Year is greater than the Appropriate Fee for that Royalty Year paid by the licensee to the Authority in accordance with this Special Condition, the licensee shall pay to the Authority, at the same time that it submits details of its Network Turnover for the relevant Royalty Year, the excess over the Appropriate Fee for that Royalty Year.

2.4 If the licensee fails to make any payment when due under Special Conditions 2.2 or 2.5(a) or both, the Authority may charge interest on any overdue amount from the date on which the relevant amount is due until the date of actual payment (both days inclusive) at a rate determined by the Authority to compensate it for the payment being overdue.

2.5 If the Authority carries out an audit of the licensee's Accounts pursuant to Special Condition 7.7 in respect of a Royalty Year, the licensee shall not be relieved of its obligation to pay the Spectrum Utilization Fee in accordance with Special Condition 2.2 in respect of that Royalty Year. If, as a result of that audit, the Spectrum Utilization Fee in respect of that Royalty Year is:

- (a) increased, the licensee shall pay the amount of the shortfall to the Authority; or
- (b) reduced, the Authority shall repay the amount of the excess to the licensee without interest.

Any payment which must be made under this Special Condition shall be made on the date specified by the Authority.

2.6 For the purposes of this Special Condition, "Accounts" has the meaning, for a Royalty Year, given in Special Condition 7.1

3. PERFORMANCE BOND

3.1 On the date of issue of this licence, the licensee shall have provided to the Authority a duly issued performance bond in accordance with this Special Condition (the "Performance Bond").

- 3.2 The licensee shall at all times during the validity period of this licence maintain in full force the Performance Bond for an aggregate amount equal to the Relevant Amount. For the purposes of this Special Condition, "Relevant Amount" means the aggregate of the Appropriate Fee set out in Schedule 4 for each of the five years (or where there are less than 5 years remaining under the validity period of such licence, the whole number of years remaining) in respect of which the obligation to pay the Spectrum Utilization Fee has not yet arisen immediately following the latest year in respect of which the obligation to pay the Spectrum Utilization Fee has arisen.
- 3.3 The Performance Bond shall be in the form determined by the Authority substantially in the form set out in Schedule 5 subject to any amendments to it as may previously have been approved in writing by the Authority in his absolute discretion.
- 3.4 The Performance Bond shall be issued by a Qualifying Bank or other surety approved in writing by the Authority prior to the date of issue of this licence. In the event of a proposed change to a different Qualifying Bank or another surety, the licensee shall give full written details of the proposed replacement to the Authority and seek consent from the Authority 14 days prior to the actual change. The Authority shall within 14 days after receipt of the proposal notify the licensee in writing whether there is any objection to the proposed replacement. If the Authority does not object within 14 days, the Authority is presumed to have given his consent. For the purposes of this Special Condition 3.4, "Qualifying Bank" means an institution holding a full banking licence under the Banking Ordinance (Cap. 155) whose long term debt rating is, or is higher than:
- (a) one or more of the following:
 - (i) Moody's A2;
 - (ii) Standard & Poor's A;
 - (iii) Duff & Phelps Credit Reference Agency's A; or
 - (iv) Fitch-IBCA's A; or
 - (b) a rating of a body other than a body listed in paragraph (a) which, in the opinion of the Authority, is equivalent to one or more of the ratings listed in that paragraph.

3.5 Notwithstanding any other conditions of this licence, any rights or remedies of the Authority under the Performance Bond, including any replacement of it, shall be without prejudice to any other rights or remedies of the Authority under this licence and of the Authority, the Chief Executive in Council and the Chief Executive under the Performance Bond or otherwise.

4. DISPOSAL OF ASSETS

4.1 Unless with the prior written consent of the Authority (which consent shall not be unreasonably withheld or delayed), the licensee shall not during the validity period of this licence howsoever determined dispose or agree to dispose of any interest (as determined in accordance with Special Condition 4.2) in the assets or undertaking of the licensee which, cumulatively with the value of any and all disposals or agreements to dispose of interests in those assets or undertaking prior to the disposal or agreement in question and after the date of issue of this licence, exceeds 10% as at the date of the disposal or agreement in question of the net asset value of the licensee (as determined in accordance with Special Condition 4.2).

4.2 The value of any interest and the net asset value of the licensee shall be determined by a certified public accountant (being one who has the qualifications as prescribed under the Professional Accountants Ordinance (Cap. 50)) as may be nominated, or whose appointment by the licensee is agreed in writing, by the Authority.

4.3 In the event of any dispute between the Authority and the licensee as to the value of the interest or the net asset value referred to in Special Condition 4.1, the matter shall be settled by arbitration in accordance with the provisions of the Arbitration Ordinance (Cap. 341).

5. PURCHASE OF ASSETS

5.1 If the licensee is in a dominant position in the relevant telecommunications market within the meaning described in section 7L of the Ordinance, the Government may elect to take over the licensee's undertaking and purchase its assets if any of the following circumstances occur:

- (a) this licence expires;
- (b) this licence is cancelled or withdrawn;
- (c) the licensee goes into liquidation; or

(d) the licensee ceases to carry on business,

provided that if the Government elects to do so, it shall give notice in writing to the licensee not later than 90 days in advance of the expiry of this licence, immediately on cancellation or withdrawal of this licence or within a reasonable time after the occurrence of the events described in subparagraphs (c) and (d).

5.2 The price at which the licensee's assets shall be sold shall be agreed between the Government and the licensee on the basis of the fair market value of those assets at the time of acquisition by the licensee determined on the basis that this licence remains in force and that the licensee's network shall continue to be used for the provision of the service. If no agreement can be reached between the Government and the licensee on the price at which the licensee's assets shall be sold, the matter shall be settled by arbitration in accordance with the provisions of the Arbitration Ordinance (Cap. 341).

6. REQUIREMENTS FOR INTERCONNECTION

6.1 The licensee shall, where directed by the Authority, interconnect its service and network with telecommunications networks and services of a type mentioned in section 36A(3D) of the Ordinance.

6.2 Subject to the terms and conditions of any determination by the Authority under section 36A of the Ordinance or any direction by the Authority under section 36B of the Ordinance, the licensee shall use all reasonable endeavours to ensure that interconnection is done promptly, efficiently and at charges which are based on reasonable relevant costs incurred by the licensee so as to fairly compensate the licensee for those costs.

6.3 The licensee shall provide facilities and services reasonably necessary for the prompt and efficient interconnection of its service and network with the other telecommunications networks and services referred to in Special Condition 6.1. Those facilities and services include:

(a) carriage services for the delivery of codes, messages or signals or other communication across and between the interconnected networks;

(b) those necessary to establish, operate and maintain points of interconnection between the network and networks of the other

party to the interconnection, including the provision of sufficient transmission capacity to connect between the network and networks of the other party to the interconnection;

- (c) billing information reasonably required to enable the other entities to bill their customers;
- (d) facilities specified by the Authority pursuant to section 36AA of the Ordinance; and
- (e) ancillary facilities and services required to support the types of interconnection facilities and services described in this Special Condition.

7. ACCOUNTING PRACTICES

7.1 Where directed by the Authority in writing, the licensee shall prepare separate accounts for the different services or business activities or types of services or business activities as identified in the Accounting Manual (each referred to as a "Business") referred to in Special Condition 7.2 to the extent that would be required if those Businesses were carried out by legally and commercially independent entities (the "Accounts"). The Accounting Manual will specify the Businesses for the purposes of this Special Condition. The Accounts shall identify all elements of costs, revenues, assets and liabilities, with the basis of their calculation and the detailed allocation methods used, arising from, attributable or related to each Business including, without limitation, an itemised breakdown of fixed assets in the manner as the Authority may require.

7.2 Where directed by the Authority in writing, the licensee shall adopt the accounting practices, consistent with accounting principles generally accepted in Hong Kong, that the Authority specifies in an accounting manual (the "Accounting Manual") under section 7H of the Ordinance for the purposes of preparing the Accounts. Without prejudice to the generality of the foregoing, the Accounts of the licensee shall be prepared in accordance with the following practices:

- (a) the costs, revenues, assets and liabilities arising from, attributable or related to each Business must be capable of being separately identified;

- (b) the costs, revenues, assets and liabilities arising from, attributable or related to the network and the service shall include any amount which, in the circumstances of a particular case, would reasonably be expected to be agreed to between the parties concerned were they negotiating in the open market and at arm's length on a non-discriminatory basis; and
- (c) the provision of services or goods or both from one Business within the licensee to another Business within the licensee must be accounted for.

- 7.3 The Accounts shall be prepared in accordance with, and shall comprise the financial statements contained in, the Accounting Manual.
- 7.4 The licensee shall establish sufficient accounting and reporting arrangements to comply with its obligations under this licence.
- 7.5 The Accounts shall at the request of the Authority be reconciled with the statutory accounts of the licensee for the relevant financial year and that reconciliation shall be demonstrated and explained to the satisfaction of the Authority.
- 7.6 The licensee shall submit to the Authority in respect of the Accounts for each Business an audit report prepared by the auditor for the time being of the licensee within a specified number of days as determined by the Authority after the end of the Royalty Year to which they relate stating whether in his opinion the Accounts comply with the Accounting Manual.
- 7.7 The Authority may, pursuant to section 10 of the Regulation, appoint an auditor to inspect the books, records or any other relevant document of the licensee to determine whether the Accounts have been prepared in accordance with the Conditions of this licence and the Accounting Manual. If the auditor, following that inspection, determines that the Accounts have not been prepared in accordance with the Conditions of this licence and the Accounting Manual and, had they been so prepared, the Network Turnover in relation to the licensee (the "Revised Network Turnover") would differ from the Network Turnover in relation to the licensee specified in the Accounts, the Authority may specify that the Revised Network Turnover as determined by that auditor shall replace the Network Turnover in relation to the licensee

specified in the Accounts and shall be used to calculate the Spectrum Utilization Fee for the purposes of Special Condition 2.

8. METERING ACCURACY

8.1 The licensee shall take all reasonable steps to ensure that any metering equipment used in connection with the service is accurate and reliable.

8.2 At the written request of the Authority or at regular intervals to be specified by the Authority, the licensee shall conduct tests on metering equipment to assess its accuracy, reliability and conformity to the technical standards, if any, specified by the Authority. The licensee shall submit the test results to the Authority within 14 days after the date of the relevant test or such other longer period as the Authority may determine.

8.3 The licensee shall keep records of any metering equipment in the form specified by the Authority and shall provide those records to the Authority as soon as reasonably practical following a written request from the Authority.

9. EMERGENCY SERVICES

9.1 The licensee shall provide public emergency services by means of which any member of the public may, at any time and without incurring any charge, by means of compatible apparatus connected to the network of the licensee, communicate as quickly as practicable with the Hong Kong Police Emergency Centre and any other entities as may be directed by the Authority for the reporting of an emergency.

9.2 The licensee shall not charge for the use of the public emergency services described in Special Condition 9.1.

9.3 Emergency messages sent by a person using compatible apparatus connected to the network of the licensee shall be treated by the licensee on an equal basis irrespective of whether or not such apparatus has been registered as that of a customer of the licensee.

10. NUMBERING PLAN AND NUMBER PORTABILITY

10.1 The licensee shall conform to the numbering plan made or approved by the Authority and any directions given by the Authority in respect of that numbering plan.

- 10.2 The licensee shall at the request of the Authority, consult with the Authority about the arrangements for the allocation and reallocation of numbers and codes within the numbering plan.
- 10.3 Where requested by the Authority, the licensee shall prepare and furnish to the Authority proposals for developing, adding to or replacing the numbering plan relating to the service.
- 10.4 The licensee shall, in the manner as the Authority may direct, facilitate the portability of numbers assigned to any customer of a mobile carrier licensee, Public Mobile Radiotelephone Services licensee, Personal Communications Services licensee or MVNO so that any number so assigned may be used by that customer should it cease to be a customer of any such entity and become a customer of any other mobile carrier licensee, Public Mobile Radiotelephone Services licensee, Personal Communications Services licensee or MVNO, as the case may be.
- 10.5 Directions by the Authority under Special Condition 10.4 shall include reasonable directions concerning the equitable sharing of all relevant costs associated with providing portability of numbers as between the licensee, any other mobile carrier licensee, Public Mobile Radiotelephone Services licensee, Personal Communications Services licensee, MVNO and any other person.
- 10.6 For the purposes of this Special Condition:
- (a) "MVNO" has the meaning given in Special Condition 12.16; and
 - (b) "portability of numbers" means the function of the network and the service which enables a customer of the service of a mobile carrier licensee, Public Mobile Radiotelephone Service licensee, Personal Communications Service licensee or MVNO to become a customer of another mobile carrier licensee, Public Mobile Radiotelephone Service licensee, Personal Communications Service licensee or MVNO without changing the number assigned to that customer.

11. NON-DISCRIMINATORY TREATMENT IN PROVISION OF SERVICE TO CUSTOMERS

The licensee shall not unreasonably delay or refuse to provide the service or impose onerous conditions on the provision of the service to any customer who owns or operates apparatus of a type which is approved by the Authority

and conforms with the technical and performance standards specified in Schedule 3 to this licence. In particular (but without limiting the generality of the foregoing), the licensee shall not discriminate against any customer whose apparatus was acquired other than from the licensee.

12. OPEN NETWORK ACCESS

12.1 Without prejudice to the Authority's powers under sections 36A and 36B of the Ordinance, the licensee shall, subject to Special Condition 12.2,:

- (a) interconnect its network and service with, or provide access to, the network and service of MVNOs in accordance with Special Condition 6 and this Special Condition; and
- (b) provide services to CSPs in accordance with Special Conditions 14, 18 and this Special Condition.

12.2 (a) Without limiting or affecting in any way the licensee's obligations under any other Condition, the licensee does not have any obligation under Special Condition 12.1 to an MVNO or CSP if:

- (i) that MVNO or CSP is affiliated with the licensee or another MNO; or
- (ii) if the licensee has entered into one or more Network Capacity Agreements with one or more MVNOs or CSPs (which, neither in the case of MVNOs nor CSPs, are affiliated with the licensee) pursuant to which the licensee is required to make available to all or any of those MVNOs or CSPs an aggregate of 30% or more of its Network Capacity from time to time.

- (b) For the avoidance of doubt, nothing in this Special Condition restricts the licensee from interconnecting its network and service with, or providing access to, the network and services of MVNOs on a commercial basis, or providing services to CSPs on a tariffed basis beyond the obligation under this Special Condition.

- 12.3 The Authority may determine the terms and conditions of a Network Capacity Agreement with an MVNO in accordance with section 36A of the Ordinance.
- 12.4 Notwithstanding Special Condition 17, the Authority may determine the tariffs for the services offered to a CSP and published under Special Condition 14 if the tariffs are unfair, anti-competitive or in breach of Special Condition 12.5.
- 12.5 The licensee shall provide its Network Capacity to MVNOs and CSPs in accordance with this Special Condition on a non-discriminatory basis. For the purposes of this Special Condition, discrimination includes, without limitation, discrimination relating to:
- (a) charges, except to the extent that the discrimination only makes reasonable allowance for difference in the cost or likely cost of supplying the service;
 - (b) performance characteristics;
 - (c) points of interconnection or access;
 - (d) ancillary facilities; and
 - (e) other terms or conditions of supply,
- as between:
- (i) an MVNO which is not affiliated with the licensee on the one hand and an MVNO which is affiliated with the licensee or a Business (as defined in Special Condition 7) of the licensee providing similar services to that non-affiliated MVNO on the other hand; and
 - (ii) a CSP which is not affiliated to the licensee on the one hand and a CSP which is affiliated with the licensee or a Business (as defined in Special Condition 7.1) of the licensee providing similar content, applications or services to that non-affiliated CSP on the other hand.

- 12.6 Without limiting the generality of Special Condition 12.5, the licensee shall ensure that customers of the service shall have non-discriminatory access to the content, applications or services of all CSPs connected to the network, irrespective of whether the CSP is affiliated with the licensee or not.
- 12.7 Without prejudice to the powers of the Authority under section 36A of the Ordinance, the Authority shall, in deciding whether or not to make any determination under this Special Condition with respect to a Network Capacity Agreement between the licensee and an MVNO, have regard to:
- (a) whether that MVNO already has a Network Capacity Agreement with another MNO in circumstances where that Network Capacity Agreement is, in relation to the period for which interconnection or access is requested by the MVNO:
 - (i) still valid and in existence; and
 - (ii) remains in substantially the same form;
 - (b) the extent to which the licensee has fulfilled its obligations under this Special Condition;
 - (c) whether the provision of such access would be unfair or anti-competitive; and
 - (d) any other matters which he may consider appropriate in the particular circumstances.
- 12.8 If the licensee increases its Network Capacity, that increased Network Capacity shall be subject to this Special Condition.
- 12.9 The licensee shall:
- (a) from time to time publish the terms and conditions of a reference Network Capacity Agreement, including the charges to be made by the licensee for interconnection, which shall provide a reference to MVNOs for commercial negotiations with the licensee with a view to concluding a Network Capacity Agreement pursuant to which it

would interconnect its network and service to the network and service of an MVNO pursuant to this Special Condition; and

- (b) publish and charge no more than the tariffs for the provision of Network Capacity to CSPs in accordance with Special Conditions 14, 15, 16 and 18.

12.10 For the purposes of Special Condition 12.9, publication shall be effected by:

- (a) publication in the newspapers and, where available, the website of the licensee and by sending a copy of the relevant details to the Authority;
- (b) placing a copy of the relevant details in a publicly accessible part of the principal place of business and other business premises of the licensee as advised by the Authority; and
- (c) sending a copy of the relevant details to any person who may request them at a charge no greater than that which is necessary to cover the reasonable cost of sending the copy.

12.11 The licensee shall establish a methodology to determine its Network Capacity and the utilization of the Network Capacity by MVNOs and CSPs which are not affiliated to it under this Special Condition. Where directed by the Authority, the licensee shall provide details of the methodology and its Network Capacity determined in accordance with the methodology. The Authority may modify the licensee's methodology if:

- (a) he considers that the methodology does not produce a fair or accurate assessment of the Network Capacity and its utilization;
- (b) he states the reasons for his consideration referred to in subparagraph (a);
- (c) he invites the licensee to make representations to the Authority for his consideration; and
- (d) he has considered the representations made by the licensee pursuant to subparagraph (c).

- 12.12 The licensee shall be entitled to include reasonable terms in a Network Capacity Agreement with MVNOs or CSPs such that the relevant MVNO or CSP agrees to purchase, rent or use a minimum amount of Network Capacity within a specified period of time.
- 12.13 The licensee shall ensure that a copy of each Network Capacity Agreement which it enters into is filed with the Authority within 14 days after it is made unless the Authority waives this requirement with respect to any Network Capacity Agreement.
- 12.14 The Authority may publish all or part of a Network Capacity Agreement if he:
- (a) considers it is in the interest of the public to do so;
 - (b) has first given the parties an opportunity to make representations on which parts of the Network Capacity Agreement should not be published; and
 - (c) has considered those representations received within the time specified by him.
- 12.15 The licensee shall not, either alone or in conjunction with any other person, engage in any transaction which, in the reasonable opinion of the Authority, has the purpose or effect of mitigating or minimising its obligations under this Special Condition and having regard to factors as the Authority may consider to be relevant including, without limitation:
- (a) the manner in which the transaction was entered into or carried out;
 - (b) the form and substance of the transaction; and
 - (c) the result that, but for this Special Condition, would have been achieved by the transaction.
- 12.16 For the purposes of this Special Condition:
- (a) an MVNO or CSP is regarded as "affiliated" with the licensee or another MNO if:

- (i) the licensee or the other MNO is the beneficial owner or has control, directly or indirectly, of 15% or more of the voting shares of the relevant MVNO or CSP or has influence over the relevant MVNO or CSP such that it is, in the opinion of the Authority, for all practical purposes or effect, in an equivalent position as it would have been had it been the beneficial owner or had control of 15% or more of the voting shares of the relevant MVNO or CSP; or
 - (ii) the relevant MVNO or CSP is the beneficial owner or has control, directly or indirectly, of 15% or more of the voting shares of the licensee or the other MNO or has influence over the licensee or the other MNO such that it is, in the opinion of the Authority, for all practical purposes or effect, in an equivalent position as it would have been had it been the beneficial owner or had control of 15% or more of the voting shares of the licensee or the other MNO; or
 - (iii) a person (other than the licensee or the other MNO or the relevant MVNO or CSP) is the beneficial owner or has control, directly or indirectly, of 15% or more of the voting shares in each of the licensee or the other MNO and the relevant MVNO or CSP or has influence over each of the licensee or the other MNO and the relevant MVNO or CSP such that it is, in the opinion of the Authority, for all practical purposes, in an equivalent position as it would have been had it been the beneficial owner or had control of 15% or more of the voting shares of each of the licensee or the other MNO and the relevant MVNO or CSP;
- (b) "control" means, in the reasonable opinion of the Authority, any form of control or influence by whatever means, direct or indirect;
 - (c) "voting share" in relation to a corporation, means a share which entitles the registered owner of the share to vote at meetings of the shareholders of the corporation;

- (d) "CSP" means a content or service provider which (a) does not have an allocation of Frequency; and (b) provides content, applications or services to its customers;
- (e) "MVNO" means an operator which:
 - (i) does not have a Relevant Licence;
 - (ii) establishes or maintains a means of telecommunications satisfying the requirements as determined by the Authority from time to time; and
 - (iii) provides mobile services to customers through interconnection with a Relevant Network pursuant to Special Condition 6 and this Special Condition;
- (f) "Network Capacity" as measured from time to time, means the volume of traffic capable of being sent over a Relevant Network of an MNO over a period of defined duration;
- (g) "Network Capacity Agreement" means an agreement made between an MVNO or CSP (as appropriate) and an MNO to purchase Network Capacity in accordance with this Special Condition whether or not as a result of a determination by the Authority; and
- (h) "Relevant Network" means a telecommunications network incorporating base station equipment operating in the Frequency.

13. ANTI-AVOIDANCE PROVISIONS

13.1 The licensee shall not, either alone or in conjunction with any other person, engage in any transaction which, in the reasonable opinion of the Authority, has the purpose or effect of mitigating or minimising its Network Turnover for the purpose of calculating the Spectrum Utilization Fees pursuant to Special Condition 2 and having regard to factors as the Authority may consider to be relevant including, without limitation:

- (a) the manner in which the transaction was entered into or carried out;

- (b) the form and substance of the transaction;
 - (c) the result that, but for this Special Condition, would have been achieved by the transaction; and
 - (d) any change in the amount of Network Turnover of the licensee that has resulted, will result, or may reasonably be expected to result, from the transaction.
- 13.2 The licensee shall ensure that the provision of goods or services or both by the licensee to any person affiliated with the licensee or by any Business of the licensee to another Business of the licensee shall be on arms' length commercial terms. For the purpose of this Special Condition, "affiliated" has the meaning given in Special Condition 12.16 but so that references to "MVNO" or "CSP" shall be to "a person".
- 13.3 The licensee shall ensure that the provision of goods or services or both from one Business within the licensee to another Business within the licensee must be accounted for so that at least the cost of those goods or services or both are charged by the Business providing the goods or services or both.
- 13.4 If it appears to the Authority that an act or omission of the licensee is or was prohibited by this Special Condition, he may make a determination to that effect. Before making a determination under this Special Condition, he must give notice to the licensee:
- (a) stating that he is investigating a possible contravention of this Special Condition;
 - (b) setting out the reasons why it appears to him that this Special Condition may be being, or may have been, breached;
 - (c) requesting, within a reasonable period specified by him, any further information which he may require from the licensee to complete his determination; and
 - (d) setting out the steps which the licensee must take in order to remedy the alleged breach.

The Authority shall give the licensee a period within which the licensee may make representations in response to the notice as he considers reasonable in all the circumstances. This Special Condition shall not limit or affect in any way the licensee's obligations under any other Condition of this licence or limit the Authority's powers under the Ordinance or under any other Condition of this licence.

14. TARIFFS

14.1 The licensee shall publish, and charge no more than, the tariffs for the service operated under this licence. The tariffs shall include the relevant terms and conditions for the provision of the service.

14.2 Publication shall be effected by:

- (a) publication in the newspapers and, where available, the website of the licensee and by sending a copy to the Authority on or before the date on which the relevant service is to be introduced;
- (b) placing a copy in a publicly accessible part of the principal place of business and other business premises of the licensee as advised by the Authority; and
- (c) sending a copy to any person who may request it at a charge no greater than that which is necessary to cover the reasonable costs of sending the copy.

14.3 Where the licensee provides customer equipment integral to the provision of the service to its customers, the tariff shall clearly state the price of the customer equipment separately from the charges for the service.

14.4 The licensee shall not offer any discount to its published tariffs for a particular service or customer equipment subject to Special Condition 14.3 (other than a discount calculated in accordance with a formula or methodology approved by the Authority in advance of the relevant service and customer equipment being offered and published together with its tariffs) if, in the opinion of the Authority, the licensee is in a dominant position in any market for or which includes that service. For the purpose of this Special Condition, "a dominant position" has the meaning described in section 7L of the Ordinance.

- 14.5 The licensee shall not, without the approval of the Authority, bundle a number of services into a single tariff without also offering each of the constituent services under separate tariffs.

15. TARIFFS REVISIONS

- 15.1 The licensee may propose any revision to the tariffs that it has published by submitting details of the proposed revision to the Authority in writing in a form approved by the Authority.

- 15.2 Subject to Special Condition 15.5, the licensee may only publish the revised tariffs after the Authority has given his approval in writing.

- 15.3 The Authority shall not approve any revision submitted in accordance with Special Condition 15.1 where:

- (a) he considers that the proposed revision is in contravention of all or any of sections 7K, 7L, 7M or 7N of the Ordinance or any applicable price control arrangements; and
- (b) he has notified the licensee within 30 days after the date of receipt of the licensee's proposed revision that he does not intend to give his approval.

- 15.4 The Authority shall endeavour to consider any proposed revisions within 7 days after the date of receipt of the relevant proposed revision by the Authority and will give written notice by that date to the licensee if the Authority requires more time to complete his review of the proposed revision.

- 15.5 Where the Authority has not notified the licensee within 30 days after receiving the licensee's proposed revision that he does not propose to give his approval, the tariff revision will be deemed to be approved.

16. TARIFFS FOR NEW SERVICES

- 16.1 If the licensee proposes to introduce any new service and charge which is not contained in its published tariffs and conditions of service, it shall notify the Authority of such a proposal. The notification shall be in a written form approved by the Authority. The Authority shall give his approval of the proposed service and charge unless he considers that the service and charge would lead to a contravention of all or any of sections 7K, 7L, 7M or 7N of the Ordinance or any applicable price control arrangements.

- 16.2 The Authority shall endeavour to consider any proposal referred to in Special Condition 16.1 within 20 days after the date of receipt of the proposal and shall give written notice by that date to the licensee if the Authority requires more time to complete his review of the proposed service and charge.
- 16.3 Where the Authority has not notified the licensee within 45 days after receiving the licensee's notice that he does not propose to give his approval, the new service and charge shall be deemed to be approved.

17. WAIVER OF APPLICATION

Where, in the opinion of the Authority, a licensee is not in a dominant position with respect to the relevant telecommunications market for the service within the meaning of section 7L of the Ordinance, the Authority may by direction in writing, for the period and on any conditions as the Authority may determine, direct that either one or any combination of Special Conditions 14, 15 and 16, either completely or as to particular obligations imposed under them, shall not apply to the licensee.

18. PROVISION OF TARIFFED SERVICE

- 18.1 The licensee shall, subject to Schedule 1 and the Special Conditions of this licence relating to the provision of the service, provide the service on its published terms and conditions and at the tariff published in accordance with Special Condition 14 (as applicable) on request of a customer whether or not the customer intends the service to be available for its own use or intends to utilise the service to provide a lawful telecommunications service to third parties.
- 18.2 Subject to Schedule 1 and any Special Conditions relating to the provision of the service, the licensee shall comply with a customer request for the service as tariffed by the licensee in accordance with Special Condition 14 where the service reasonably could be provided by the licensee to the customer at the location at which the service is requested utilising the licensee's network in place at the time of the request.

19. DIRECTORY SERVICES

19.1 For the purposes of this Special Condition:

- (a) "directory information" means information obtained by the licensee in the course of the provision of services under this licence concerning or relating to all or any of the name, business address and telephone numbers of each of its customers; and
- (b) "raw directory information" means the licensee's directory information held in a basic format relating to all its customers other than its customers who request the directory information about them not be disclosed.

19.2 This Special Condition applies only in respect of standard printed directories and other directory databases and services which include all the names of a licensee's customers listed in alphabetical order and does not apply to classified directories where customers are listed by business or trade category or to other business or specialised directories.

19.3 Subject to compliance with the Personal Data (Privacy) Ordinance (Cap. 486), General Condition 7 and any applicable law, the licensee shall:

- (a) where directed by the Authority, publish or arrange for the publication of directory information at least biennially in a printed or other form approved by the Authority, relating to all those customers, other than its customers who request not to be included in a directory to be published (the "printed directory"); and
- (b) where directed by the Authority, establish, maintain and operate, or arrange for the establishment, maintenance or operation of, a telecommunications service whereby customers may, on request, be provided with directory information other than that of its customers who request information relating to them not to be disclosed (the "telephone directory service").

19.4 The licensee shall make the printed directory and the telephone directory service referred to in Special Condition 19.3 available free of charge to its customers and in a manner satisfactory to the Authority.

- 19.5 The licensee may make commercial arrangements with one or more of the other mobile carrier licensees, Public Mobile Radiotelephone Services licensees, Personal Communications Services licensees and MVNOs to cooperate in the provision jointly by them of either or both of the printed directory and the telephone directory service which the licensee is required to provide under Special Condition 19.3.
- 19.6 The licensee's printed directory shall be a unified printed directory and the licensee's telephone directory service shall be a unified telephonic directory service and shall utilise a unified directory database, containing directory information on all customers of all mobile carrier licensees, Public Mobile Radiotelephone Services licensees, Personal Communications Services licensees and MVNOs, except for those customers who request that directory information about them is not disclosed. Subject to compliance with the Personal Data (Privacy) Ordinance (Cap. 486), General Condition 7 and any applicable law, the licensee shall provide and update, on a frequent and regular basis, raw directory information about its customers to other mobile carrier licensees for which the licensee will be able to impose a charge to fairly compensate it for providing that information. The licensee shall endeavour to agree with each of the other mobile carrier licensees on a reasonable mode of exchange and transmission format for the raw directory information.
- 19.7 Where the licensee is unable to agree with another mobile carrier licensee pursuant to Special Condition 19.6 on what amounts to fair compensation for the provision of, or the reasonable mode of exchange and transmission format of, raw directory information, the matter at issue may be referred by either licensee to the Authority for determination.
- 19.8 Except with the prior written approval of the Authority, the licensee shall not make use of raw directory information provided by another mobile carrier licensee other than for discharging its obligations under this Special Condition.

20. COMPLIANCE WITH AUCTION RULES

If the licensee is found, to the reasonable satisfaction of the Authority, to have been involved in an act, or omission of any act, constituting a breach of the terms and conditions of the auction as set out in the Notice, then the Authority may cancel, withdraw or suspend this licence and may, at the same time, enforce the Performance Bond submitted pursuant to Special Condition 3.1 in accordance with its terms. For the avoidance of doubt, the Authority's power to cancel, withdraw or suspend this licence is without prejudice and in addition to any rights or remedies of the Authority under the Performance Bond or its replacement and any other rights or remedies of the Authority, the Chief Executive, the Chief Executive in Council under the licence, the Ordinance, regulations made under the Ordinance or any other law.

21. NON-COMPLIANCE WITH IRREVOCABLE UNDERTAKING

The licensee shall comply, and shall procure that any person who has given an irrevocable undertaking with respect to the licensee (a "Relevant Person") shall comply, with the terms of any irrevocable undertaking provided pursuant to the terms and conditions of the Notice. Any breach by the licensee or a Relevant Person of any provision in that irrevocable undertaking shall be deemed to be a breach of this Special Condition and the Authority may cancel, withdraw or suspend this licence and may, at the same time, enforce the Performance Bond submitted pursuant to Special Condition 3.1 in accordance with its terms. For the avoidance of doubt, the Authority's power to cancel, withdraw or suspend this licence is without prejudice and in addition to any rights or remedies of the Authority under the Performance Bond or its replacement and any other rights or remedies of the Authority, the Chief Executive, the Chief Executive in Council under the licence, the Ordinance, regulations made under the Ordinance or any other law.

22. OWNERSHIP AND CONTROL OF THE LICENSEE

22.1 Subject to Special Condition 22.2, the licensee shall, at all material times or from time to time (as the case may be) during the validity period of this licence, comply with the statements and representations made in its Application regarding its control and ownership structure and shall not deviate from any of them without the prior written consent of the Authority. For the purpose of this Special Condition, "Application" has the same

meaning given to it in the Notice.

- 22.2 The Authority may generally or specifically in relation to a particular statement or representation referred to in Special Condition 22.1 by notice to the licensee waive the requirement for the licensee to comply with the said statement or representation.

23. UNSOLICITED ADVERTISING

The licensee shall not use the service, and shall endeavour to prevent the service from being used by any user, for the transmission of messages or communications comprised in any unsolicited advertising or unsolicited promotional information and comply with any codes of practice which may be issued by the Authority concerning unsolicited advertising or unsolicited promotional information from time to time.

24. LOCATION SERVICES

- 24.1 Without affecting the generality of General Condition 7, “information of a customer” referred to in General Condition 7.1 and “information provided by its customers or obtained in the course of provision of service to its customers” referred to in General Condition 7.2 shall include any information concerning the locations of customers obtained in the course of provision of the service.

- 24.2 Where the licensee provides services to customers using the information concerning the locations of the customers obtained in the course of provision of the service, the licensee shall ensure that:

- (a) no such services are provided without the prior consent of the relevant customers; and
- (b) the customers are capable of suspending the use of the information from time to time.

- 24.3 Where directed by the Authority, subject to General Condition 7 and all applicable law, the licensee shall provide relevant information relating to the location of a user sending a public emergency message described in Special Condition 9.1 for the sole purpose of responding to that message.

25. INTERPRETATION

For the purposes of these Special Conditions:

25.1 "Appropriate Fee" means the respective amounts for each Royalty Year set out in Schedule 4;

"Frequency" means any one of the frequency bands 1900-1980 MHz, 2015 - 2025 MHz and 2110-2170 MHz;

"MNO" means an operator who holds a Relevant Licence;

"Network Turnover" has the meaning given in the Regulation;

"Notice" means the Notice dated 18th July, 2001 issued by the Authority in exercise of its powers conferred by section 32I of the Ordinance and the Regulation and all other powers enabling him to specify the terms and conditions of the auction and the payment of Spectrum Utilization Fees;

"Personal Communications Services licensee" means the holder of a public radiocommunications service licence for the provision of public radiocommunications service using cellular technology in the 1.7 - 1.9 GHz band;

"publication in the newspapers" means published in at least one Chinese language local newspaper and one English language local newspaper, being in each case a newspaper registered under the Registration of Local Newspapers Ordinance (Cap. 268) and published daily and circulating generally in Hong Kong;

"Public Mobile Radiotelephone Services licensee" means the holder of a public radiocommunications service licence for the provision of public radiocommunications service using cellular technology in the 800/900 MHz band;

"Regulation" means the Telecommunications (Method For Determining Spectrum Utilization Fees) (Third Generation Mobile Services) Regulation (Cap. 106X);

"Relevant Licence" means a mobile carrier licence issued by the Authority under section 7 of the Ordinance for the establishment or maintenance of a telecommunications network for carrying communications to or from the public between moving locations or between fixed locations or moving locations within Hong Kong operating in the Frequency;

"Royalty Year" means each period of 12 months in the 15 year period of this licence starting on the date of issue of this licence;

"Spectrum Utilization Fee" has the meaning given in the Regulation; and

"transaction" means any transaction, operation or scheme whether or not such transaction, operation or scheme is enforceable, or intended to be enforceable, by legal proceedings.

25.2 Any reference to an ordinance, whether the word is used by itself or as part of any title to an ordinance, shall mean that ordinance for the time being in force as well as any modification or substitution of that ordinance, in whole or in part, and all subsidiary legislation, regulations, directions, codes of practice and instruments made under that ordinance and for the time being in force.

SCHEDULE 1
SCOPE OF THE SERVICE

1. The service is a public mobile radiocommunication service using cellular radiocommunications technology operating at frequencies specified in Schedule 3 within the frequency bands 1900-1980 MHz, 2015 - 2025 MHz and 2110-2170 MHz to enable two-way communications between moving locations or between a moving location and a fixed location.

2. For the purpose of this Schedule, a "moving location" includes, without limitation, the following:
 - (a) mobile station of a customer of the service; and

 - (b) mobile station of a customer of an MVNO interconnected with the network and the service.

3. For the purpose of this Schedule, a "mobile station" includes any apparatus using the technology of a mobile station for a mobile customer but being installed at a fixed location.

4. For the purpose of this Schedule, a "fixed location" includes any apparatus, station or service connected to any public telecommunications networks, including the network under this licence, in Hong Kong.

SCHEDULE 2
DESCRIPTION OF NETWORK

All such telecommunications installations established, maintained, possessed or used whether owned by the licensee, leased, or otherwise acquired by the licensee for the purpose of providing the service specified in Schedule 1.

SCHEDULE 3
TECHNICAL PARTICULARS OF RADIO STATIONS FOR
THE PROVISION OF THE SERVICE

Location
Frequency
Class and Characteristics of Emission
Power
Aerial characteristics

**SCHEDULE 4
SPECTRUM UTILIZATION FEES**

Year	Appropriate Fee
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	

**SCHEDULE 5
FORM OF THE PERFORMANCE BOND**

THIS PERFORMANCE BOND is made on _____, 2001

BY:

- (1) **[BANK]**, a banking corporation incorporated in [_____] [with limited liability] whose [registered office/principal place of business in Hong Kong] is at [_____] (the "Bank").

IN FAVOUR OF:

- (2) **THE TELECOMMUNICATIONS AUTHORITY OF HONG KONG** appointed under section 5 of the Telecommunications Ordinance whose address is at 29th Floor, Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong (the "Authority").

WHEREAS:

Pursuant to Special Condition 3 of the Mobile Carrier Licence dated [_____], 2001 (the "Licence"), the Licensee is required to provide to the Authority a Performance Bond issued by a Qualifying Bank (as defined below) which shall remain in full force for the duration of the Licence. The Bank is a Qualifying Bank.

1. INTERPRETATION

1.1 Definitions

In this Performance Bond:

"Bonded Sum" means an amount of HK\$[_____];

"Business Day" means a day other than a Saturday or Sunday on which the banks in Hong Kong are open for general business;

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China;

"Licensee" means [];

"Ordinance" means the Telecommunications Ordinance (Cap. 106);

"Qualifying Bank" has the meaning given to it in Special Condition 3.4;

"Regulation" means the Telecommunications (Method for Determining Spectrum Utilization Fees) (Third Generation Mobile Services) Regulation;

"Spectrum Utilization Fee" means the fee determined in accordance with Special Condition 2.1; and

"subsidiary" has the meaning given to it in the Companies Ordinance (Cap. 32).

1.2 **Construction**

In this Performance Bond, unless the contrary intention appears, a reference to:

- (a) a provision of law is a reference to that provision as amended, extended or re-enacted;
- (b) a reference to any document shall include that document as it may be amended, novated or supplemented from time to time;
- (c) a clause is a reference to a clause of this Performance Bond;
- (d) a person includes its successors and assigns; and
- (e) headings are for convenience only and are to be ignored in construing this Performance Bond.

2. **PERFORMANCE BOND**

2.1 On the occurrence of all or any of the following events:

- (a) failure of the Licensee to pay all or any of the Spectrum Utilization Fee due to insolvency of the Licensee;

- (b) surrender of the Licence by the Licensee;
- (c) a decision by the Chief Executive in Council to cancel or suspend the licence or the Authority to cancel, withdraw or suspend the Licence pursuant to section 34(4) of the Ordinance; or
- (d) the Licensee ceasing to provide telecommunications services over the telecommunications network pursuant to the Licence,

the Bank shall on demand made by the Authority in writing and without evidence that the relevant events have in fact occurred pay, satisfy and discharge without cavil or delay the Bonded Sum.

- 2.2 The obligations under this Performance Bond constitute direct primary, irrevocable and unconditional obligations of the Bank.
- 2.3 This Performance Bond shall continue in full force and effect until payment by the Bank to the Authority of the Bonded Sum in full in accordance with subclause 2.1 provided that no demand may be made under this Performance Bond after []. [Note: the expiry date shall be the date on which the payment of the Spectrum Utilization Fee in respect of the latest Royalty Year covered by this Performance Bond is due except that, where are less than 5 years remaining under the Licence, the expiry date shall be 12 months after the due date for payment of the Spectrum Utilization Fee for the last Royalty Year.]
- 2.4 For the purposes of this clause, "insolvency" of the Licensee includes where the Licensee goes into liquidation whether compulsory or voluntary or if an order is made or a resolution is passed for the winding up or a receiver or an administrator is appointed or it enters into any arrangement or composition with its creditors generally or ceases to carry on business or to be able to pay its debts when they fall due or becomes subject to other proceedings analogous in purpose or effect including, without limitation, the appointment of a receiver, trustee or liquidator for any such purpose.

3. MAXIMUM LIMIT

The maximum amount for which the Bank shall be liable under this Performance Bond shall not exceed the aggregate of:

- (a) the Bonded Sum; and
- (b) the aggregate of all sums payable under clauses 4 and 7.

4. INTEREST AND COSTS

The Bank shall pay interest on the Bonded Sum from the date of demand to the date of payment in full (both dates inclusive) compounded quarterly (both before and after judgment) at 2 per cent. per annum over the prime rate quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time. The interest shall be payable on demand and accrue from day to day on the basis of the number of days elapsed and a 365 day year.

5. WAIVER OF DEFENCES

The liability of the Bank under this Performance Bond shall remain in full force and effect and not be prejudiced, affected, discharged, impaired or diminished by any act, omission or circumstance which, but for this condition, might prejudice, affect, discharge, impair or diminish that liability including, without limitation, and whether or not known to the Bank:

- (a) any time or waiver granted to, or release of or composition with, the Licensee or any other person;
- (b) any suspension, cancellation, revocation, withdrawal or amendment of, or variation to, the Licence (including, without limitation, extensions of time for performance) or any concession or waiver by the Authority, the Government of Hong Kong, the Chief Executive in Council, the Chief Executive or, without limitation, any other person in respect of the Licensee's obligations under the Licence;
- (c) any forbearance or waiver of any right, power or remedy the Authority, the Government of Hong Kong, the Chief Executive in Council or the

Chief Executive 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 the persons referred to in (c) above or with the Bank; or
- (e) the liquidation, administration, dissolution, lack of capacity or authority, or any change in the name or constitution of the Licensee or the Bank.

6. ADDITIONAL SECURITY

This Performance Bond is in addition to and not in substitution for or prejudiced by any present and future guarantee, lien or other security held by the Authority as security for the obligations of the Licensee. The Authority's rights, powers and remedies under this Performance Bond are in addition to and not exclusive of those provided by law.

7. NO DEDUCTIONS AND TAXES

All sums payable under this Performance Bond shall be paid in full without set-off or counter-claim and free and clear of, and without deduction of or withholding for, or on account of, any present or future taxes, duties or other charges. If any payment is subject to any tax, duty or charge, or if the Bank is required by law to make any deduction or withholding, the Bank shall pay the tax, duty or charge and shall pay to the Authority any additional amounts as shall result in the Authority receiving a net amount equal to the full amount which it would have received had no payment, deduction or withholding been required.

8. PAYMENTS

All payments to be made by the Bank under this Performance Bond shall be made in immediately available funds in the currency and in the manner as the Authority may specify.

9. WARRANTY

The Bank warrants that this Performance Bond constitutes its legally binding obligations enforceable in accordance with its terms (subject to insolvency laws and creditors' rights generally and principles of equity) and does not conflict with any law, regulation or instrument binding on or relating to the Bank and that this Performance Bond is within its powers and has been duly authorised by it.

10. INFORMATION AND CONSENTS

The Bank shall:

- (a) supply the Authority with publicly available information as to itself and (if applicable) its subsidiaries as the Authority may reasonably request;
- (b) promptly obtain all official and other consents, licences and authorisations necessary or desirable for the entry into and performance of its obligations under this Performance Bond, whether or not performance has become due; and
- (c) promptly notify the Authority if the Bank ceases to be a Qualifying Bank.

The Bank warrants that all consents, licences and authorisations required or desirable under existing law in accordance with this clause have been obtained.

11. NOTICES

11.1 All documents arising out of or in connection with this Performance Bond shall be served:

- (a) on the Authority, at 29th Floor, Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong marked for the attention of the Authority; and
- (b) on the Bank, at its address stated in this Performance Bond.

- 11.2 The Authority and the Bank may change their respective nominated addresses for service of documents to another address in Hong Kong by giving not less than five Business Days' prior written notice to each other. All notices, demands and communications must be in writing.
- 11.3 Any notice, demand or communication sent to the Authority or the Bank as provided in this clause shall be deemed to have been given, if sent by post, two Business Days after posting (and in proving delivery it shall be sufficient to provide that the notice, demand or communication was properly addressed and put in the post), if delivered by hand, at the time of delivery or, if sent by facsimile, at the time of despatch.

12. ASSIGNMENTS

The Bank shall not assign, transfer, novate or dispose of any of its rights and obligations under this Performance Bond. The Authority may assign all or any part of its rights and benefits under this Performance Bond at any time without the consent of the Licensee or the Bank.

13. REMEDIES AND WAIVERS

No delay or omission of the Authority in exercising any right, power or remedy under this Performance Bond shall impair that right, power or remedy or constitute a waiver of it nor shall any single or partial exercise of any right, power or remedy preclude any other or further exercise of it or the exercise of any other right, power or remedy. The rights, powers and remedies provided in this Performance Bond are cumulative and not exclusive of any rights, powers or remedies which the Authority would otherwise have.

14. GOVERNING LAW AND FORUM

- 14.1 This Performance Bond shall be governed by laws for the time being in force in Hong Kong and the Bank agrees to submit to the non-exclusive jurisdiction of the courts of Hong Kong.
- 14.2 The Bank irrevocably appoints [] of [] as its agent for service of process in connection with proceedings in the Hong Kong Courts and agrees that any process shall be sufficiently and effectively served on it if delivered to

that agent at that address, or in any other manner permitted by law. Nothing in this clause is to limit right of the Authority to take proceedings against the Bank in any other court of competent jurisdiction but this provision applies only to the extent that it does not prejudice the above agreement as to the jurisdiction of the Hong Kong Courts.

14.3 The Bank irrevocably and generally consents in respect of any legal action or proceedings anywhere (whether for an injunction, specific performance, damages or otherwise) arising out of or in connection with this Performance Bond to the giving of any relief or the issue of any process in connection with it including, without limitation, the making, enforcement or execution against any assets whatsoever (irrespective of their use or intended use) of any order (whether or not pre-judgment) or judgment which may be made or given there, and irrevocably and unconditionally waives, in any such action or proceedings anywhere, any immunity from that action or those proceedings, from attachment of its assets prior to judgment, other attachment of assets and from execution of judgment or other enforcement.

15. COUNTERPARTS

This Performance Bond may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Performance Bond.

IN WITNESS of which this Performance Bond has been executed and delivered as a deed on the date which appears first on page 1.

EXECUTED as a deed by **[BANK]**)
acting by [] and)
[])

.....

SCHEDULE 3
Frequency Bands

Frequency Band	Paired Band (MHz)		Unpaired Band (MHz)
	Lower Block	Upper Block	
A	1920.3 - 1935.1	2110.3 - 2125.1	1914.9 - 1919.9
B	1935.1 - 1949.9	2125.1 - 2139.9	1904.9 - 1909.9
C	1950.1 - 1964.9	2140.1 - 2154.9	1909.9 - 1914.9
D	1964.9 - 1979.7	2154.9 - 2169.7	2019.7 - 2024.7

SCHEDULE 4

Roaming Special Condition

- [].1 Subject to Special Condition [].2, if and for so long as the licensee or any member of its Group is a 3G Operator and the licensee remains a 2G Operator, the licensee shall provide Domestic Roaming on request by any New Entrant or as directed by the Authority and shall be required to do so whether or not a Domestic Roaming Agreement has been entered into between the licensee and that New Entrant.
- [].2 The obligation under Special Condition [].1 shall come into force on the date on which the New Entrant first offers services for which it is licensed under its 3G Licence to the public and shall continue until 5 years from the date the New Entrant obtains its 3G Licence.
- [].3 The licensee shall, within a reasonable period after the request from the New Entrant under [].1, enter into an agreement with the New Entrant or an amendment to that agreement, as the case may be, to provide Domestic Roaming provided that the licensee shall be required to enter into negotiations with that New Entrant at any time prior to the date specified in Special Condition [].2.
- [].4 The licensee shall ensure that a Domestic Roaming Agreement entered into or an amendment made under Special Condition [].3 contains terms and conditions which are reasonable. To the extent that all or any of the terms and conditions of a Domestic Roaming Agreement made under Special Condition [].3 (whether on or after the coming into force of this Special Condition) cease to be reasonable, the licensee shall, within a reasonable period, negotiate with the New Entrant an amendment to the Domestic Roaming Agreement so that the terms and conditions of the Domestic Roaming Agreement are reasonable. In the event of a dispute as to the reasonableness of any term or condition under a Domestic Roaming Agreement, either party may refer the dispute to the Authority for determination.
- [].5 Subject to Special Condition [].2, if a Domestic Roaming Agreement is not concluded after a period of 3 months after the date on which the New Entrant first requested the licensee to enter into a Domestic Roaming Agreement, either party may seek a determination from the Authority in respect of all or some matters to be dealt with under the Domestic Roaming Agreement. The determination which the Authority makes shall have regard to any technical, commercial and financial terms and conditions that the Authority considers fair and reasonable. The determination which the Authority makes may cover the period, if applicable, from the date on which the licensee is obliged to provide the Domestic Roaming under this Special Condition.
- [].6 The licensee shall comply with the requirements of any determination under Special Conditions [].4 and [].5 in relation to any Domestic Roaming Agreement.

[].7 Any determination made under Special Conditions [].4 and [].5 shall be binding on the parties.

[].8 The Authority may publish details of any determination made under Special Conditions [].4 and [].5.

[].9 The Authority shall not be required to take steps to resolve any dispute referred to him under Special Condition [].4 and [].5 in respect of the New Entrant where another dispute has already been referred to him under these Special Conditions by that New Entrant which has not yet been determined or where he has previously resolved a dispute relating to a Domestic Roaming Agreement involving that New Entrant in circumstances where that Domestic Roaming Agreement is:

- (a) still valid and in existence; and
- (b) remains in substantially the same form.

[].10 In this Special Condition:

"Domestic Roaming" means the provision of mobile telecommunications services by means of the telecommunications systems of the licensee to customers of the New Entrant;

"Domestic Roaming Agreement" means an agreement which provides for Domestic Roaming;

"Group" means in relation to the licensee:

- (a) any holding company of the licensee;
- (b) any subsidiary of the licensee;
- (c) any subsidiary of any holding company referred to in (a);
- (d) a shareholder or partner in the licensee which beneficially owns (directly or indirectly) shares in the licensee in circumstances where there is one other shareholder or partner in the licensee which beneficially owns (directly or indirectly) the remaining shares in the licensee in circumstances where neither shareholder nor partner has control;
- (e) any undertaking in which the licensee beneficially owns (directly or indirectly) shares in circumstances where there is one other shareholder or partner in that undertaking which beneficially owns (directly or indirectly) the remaining shares in the licensee, in circumstances where neither shareholder nor partner has control;
- (f) any undertaking in circumstances where two or more of its shareholders or partners which, acting in concert, together beneficially own, (directly or indirectly) more than 50% of the shares or voting rights in that undertaking, acting in concert together beneficially own (directly or

indirectly) more than 50% of the shares, or voting rights of the licensee;
and

- (g) any undertaking in which the licensee beneficially owns (directly or indirectly) together with one or more undertakings acting in concert more than 50% of the shares or voting rights of that undertaking,

and:

- (i) "subsidiary" and "holding company" have the meanings given to them in sections 2(4) and 2(7) of the Companies Ordinance respectively;
- (ii) "shares" have the meaning given to it in section 2(1) of the Companies Ordinance;
- (iii) "acting in concert" means actively co-operating to obtain or consolidate control;
- (iv) "control" means controlling the composition of the board of directors of a company, controlling more than half of the voting power of that company, holding more than half of the issued share capital of that company (excluding any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital), the right to exercise a dominant influence over that undertaking by virtue of provisions contained in that undertaking's memorandum or articles of association or by virtue of a control contract, or the holding of the majority of the voting rights in that undertaking pursuant to an agreement without the shareholders or members; and
- (v) "undertaking" means (a) a body corporate or partnership or (b) an unincorporating association carrying on a trade or business, with or without a view to profit;

"New Entrant" means a 3G Operator which is not a 2G Operator and does not have a 2G Operator within its Group;

"2G Operator" means a person who holds a 2G Licence;

"2G Licence" means a public radiocommunications service licence for personal communications service, a public radiocommunications service licence for public mobile radio telephone service or a mobile carrier licence issued by the Authority under section 7 of the Ordinance for the establishment or maintenance of a telecommunications network for carrying communications to or from the public between moving locations or between fixed locations and moving locations situated within Hong Kong and operating in all or any of the frequency bands 825-960 MHz, 1710-1785 MHz and 1805-1880 MHz;

"3G Operator" means a person which holds a 3G Licence other than an existing 2G Operator; and

"3G Licence" means a mobile carrier licence issued by the Authority under section 7 of the Ordinance for the establishment or maintenance of a telecommunications network for carrying communications to or from the public between moving locations or between fixed locations and moving locations situated within Hong Kong and operating in the frequency bands 1900-1980 MHz, 2015-2025 MHz and 2110-2170 MHz.

[The definitions of Group in this Special Condition may require to be amended and further definitions relating to the Group of the licensee may be required to be included to take account of any conditions to which any consent which the Authority may give under paragraph 3.1.3 of the Notice may be subject. Any amendments to this Special Condition will be structured to provide thresholds and parameters so as to be consistent with, and apply to, those conditions.]

APPENDIX 1 - APPLICATION FORM

The Application Form follows. The page numbering is not part of the page numbering of this Notice.

HONG KONG

**THIRD GENERATION MOBILE SERVICES
LICENSING**

APPLICATION FORM

HONG KONG

**THIRD GENERATION MOBILE SERVICES
LICENSING**

APPLICATION FORM

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- APPLICATION FORM INSTRUCTIONS -

Instructions are set out below on the information required in the Application Form, and the form of its presentation. Unless otherwise stated, terms used in the Application Form and these instructions shall have the meanings given to them in the Notice.

1 The Applicant

1.1 Details of the Applicant

Provide the name of the applicant (the "Applicant"), its company number appearing on the certificate of incorporation issued by the Companies Registry of Hong Kong, registered address (and principal place of business if different) and official fax and telephone numbers.

1.2 Contact details for the Applicant

Provide an address, telephone number and fax number within the Hong Kong Special Administrative Region at which the Applicant can be reached between 8.00a.m. and 7.00p.m. Hong Kong time. This address will be considered as the Applicant's official address for written correspondence during the procedure contemplated in the Notice (the "Auction Procedure"), and will generally be used for non-time critical communications.

1.3 Principal contacts for the Applicant

Please provide the names, titles (e.g. executive director) and/or positions (e.g. Head of Telecom) and contact details (telephone number, mobile number, fax number and e-mail address) for three persons that the Authority may contact directly for urgent or time-critical communication at any time during the Auction Procedure. These contacts must be fully authorised under law and the Applicant's constitutional documents to represent the Applicant for all acts that may be related to the Auction and to the grant of a Licence. The contacts should be listed in the order in which the Applicant would prefer the Authority to contact them. Such persons should be aware that the Authority may contact them outside of normal working hours.

1.4 Bank account

The details of the Applicant's bank account into which the Deposit (if provided in cash) should be reimbursed in accordance with the provisions of the Notice.

1.5 Management of the Applicant

The names, titles and/or positions of the board of directors and any other key members of the management of the Applicant.

1.6 Applicant's relationship with any 2G Operator(s)

Please answer the questions listed in this section. If any of the answers is yes, please provide the relevant 2G Operator's identity and ensure that the information provided herein is included and highlighted in section 4 of the Application Form with details of such relationship. In addition, an Applicant who is part of a 2G Bidding Group must obtain TA's consent to the

- APPLICATION FORM INSTRUCTIONS -

arrangement in order to pre-qualify, and provide a copy of the consent in its Application (see Section 5 – Checklist).

2 Representatives of the Applicant

2.1 Applicant's Representatives

Please provide the name, employer, title and/or position (together with one business card), ID Card number or passport number and signature of those parties who may represent ("Representatives") the Applicant in the Bidding Room. If any representative is not an employee of the Applicant, please also make clear their relationship with the Applicant in the "employer" section. A maximum of 8 Representatives of the Applicant are permitted in the Applicant's Bidding Room. If the Applicant wishes to provide for a larger number of Representatives from whom the 8 to be present will be selected, please attach additional sheets to the Application Form in the same format as for Section 2.1. Please limit any additional Representatives noted in the Application Form, over and above the permitted 8, to 4.

2.2 Representatives authorised to bid

Please provide the name and signature of each Representative listed under section 2.1 who is authorised to provide confirmations, make Final Offers and act in any other way necessary on behalf of the Applicant during the Auction. Although not all Representatives need to be so authorised, at least two of them must be authorised as the Bidding Form requires the signatures of two different authorised representatives.

Please list these Representatives who are authorised to act on behalf of the Applicant with the number assigned to them under section 2.1 of the Application Form.

The table in section 2.2 of the Application Form will be used by the Authority to determine the validity of signatures on Bidding Forms.

3 Insiders

Please provide the names, employer, title and/or position, and roles of all the Insiders to the Application and the Applicant's participation in the Auction Procedure. If any of the Insiders are not employees of the Applicant, then the information provided must show the relationship between this Insider and the Applicant. The description of the role must be sufficient for the Authority to determine what function that Insider has played or will play during the Auction Procedure.

4 Ownership structure of the Applicant

Please provide, in the format described hereafter, the following information regarding the ownership structure of the Applicant:

- i) Details of all parties who hold a Bidding Interest, as defined in the Notice, in the Applicant.

The information provided should make clear the factors that determine why each person has a Bidding Interest in the Applicant and the nature of each such factor (percentage shareholding, voting control,

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board representation, management agreement etc). If more than one factor applies, each one should be made clear.

- ii) Details of any 2G Operator, together with details of ownership of any intermediate undertakings, in which the Applicant or any party listed pursuant to 4 i) above has a 2G Interest (as defined in the Notice).

The information provided should make clear the factors that determine how the 2G Interest arises and the nature of each such factor (percentage shareholding, voting control, board representation, management agreement etc). If more than one factor applies, each one should be made clear.

- iii) In accordance with the Connected Bidder Statutory Declaration, details of any other Applicant, together with details of ownership of any intermediate undertakings, in which the Applicant or any party listed pursuant to 4 i) above has a Bidding Interest (as defined in the Notice).

The information provided should make clear the factors that determine how the Bidding Interest arises and the nature of each such factor (percentage shareholding, voting control, board representation, management agreement etc). If more than one factor applies, each one should be made clear.

- iv) Please also indicate which of the parties provided pursuant to i), ii) or iii) above are Insiders to the Applicant.
- v) Please also provide a list of which of the parties listed pursuant to i), ii) or iii) above are listed on a stock exchange, the exchange on which they are listed, and the percentage of each class of their shares which form a public or free float. Please indicate which of these listed companies are also Insiders to the Applicant, and provide the latest annual report and accounts of the listed company.

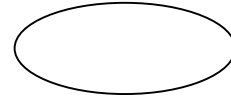
The information provided pursuant to i), ii) or iii) above will be made available to other Bidders during the Second Phase of the Auction, in order to assist certification by the Bidders that they are not connected with any other Bidders. In issuing such information, the relevant parts of each Application Form will simply be copied. If the Applicant wishes particular ownership information that is not in the public domain to be kept confidential, such information should be clearly identified to the Authority on the Application Form. Any such information should also be provided on separate sheets of paper so that it can be separated from the other information to be copied to other Bidders (if this is done, the Application Form must make the Applicant's overall ownership structure clearly and easily comprehensible). Applicants should note that, notwithstanding the above, the Authority retains full discretion to issue such information to other Bidders if he believes that it is in the interests of the Auction to do so.

The information required in this section of the Application Form should be provided in two formats.

- a) In diagrammatic form, as follows. Each shape should contain the registered name of the relevant entity

- APPLICATION FORM INSTRUCTIONS -

Applicant



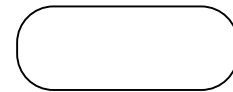
Company or other undertaking (e.g. partnership, trust). If the entity is not a company, please provide a numbered footnote explaining the entity's status



Individuals/family



Company(ies) controlled by private individual or family (see illustration below)



Where such entities are Insiders, the shape should be double-lined as follows:

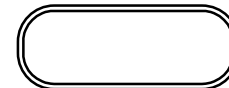
Company or other entity which is an Insider



Individual/family that is an Insider



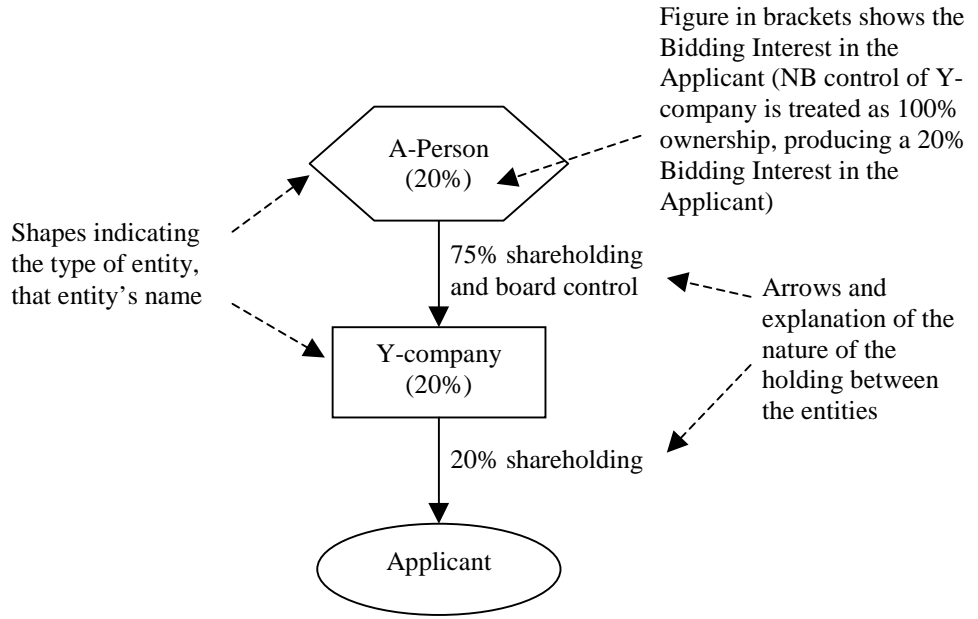
Company(ies) controlled by private individual or family that is an Insider



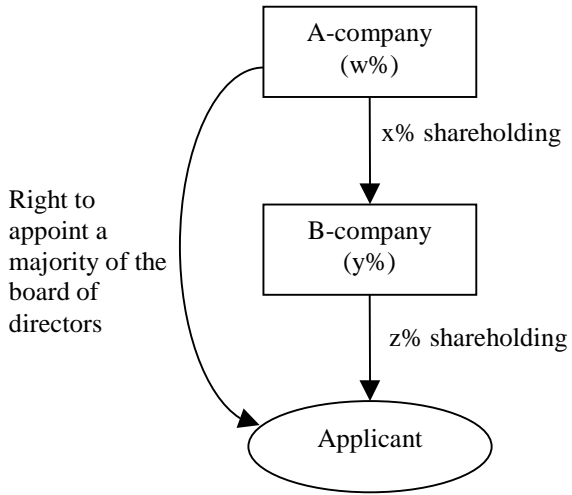
The Applicant is assumed to be an Insider, so it is not necessary to double-line the Applicant's shape.

Links (whether by ownership or some other form of control or arrangement falling with the definitions of Control, Participation and Indirect Interest) between entities should be shown as an arrow between holder and held entities, together with a description of the amount of ownership or form of arrangement (e.g. 25% shareholding). Each entity's shape should also contain in brackets a figure (or other explanatory note) stating that entity's Bidding Interest in the Applicant itself. For example:

- APPLICATION FORM INSTRUCTIONS -

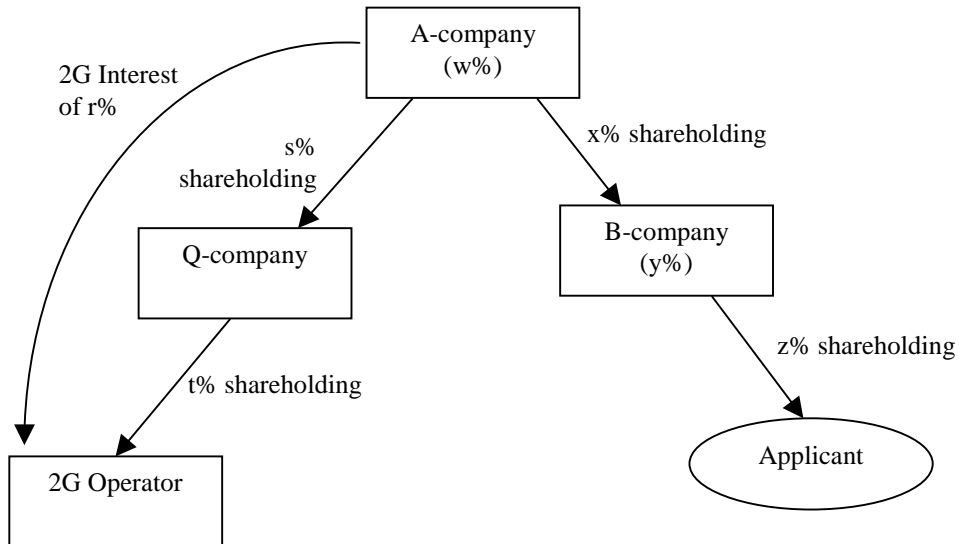


If the form of Bidding Interest in the Applicant is not readily explainable in the format set out above, provide additional arrows together with explanatory text either in the diagram or in a footnote. For example:



If it is necessary to show an interest in a 2G Operator and/or in another Applicant, please show the information in the same fashion (arrows and explanatory text between entities), but show an arrow between the relevant party and the 2G Operator and/or other Applicant together with explanatory text either in the diagram or a footnote to explain the relevant 2G Interest and/or Bidding Interest. For example:

- APPLICATION FORM INSTRUCTIONS -



If these diagrams do not fit legibly onto a single sheet of paper, please provide additional sheets (which can be larger than A4 if necessary) to make the requested information clear.

The diagrams below illustrate how shareholding information that the Bidder wishes to keep confidential should be presented.

For example, Bidder A is 100% owned by a company (Company B) which in turn is owned by two companies (Company C and D), each holding 50% of Company B, and these two companies are 100% owned by a family (e.g. Family A). The following diagram illustrates how Bidder A is permitted to present its shareholding structure diagram:

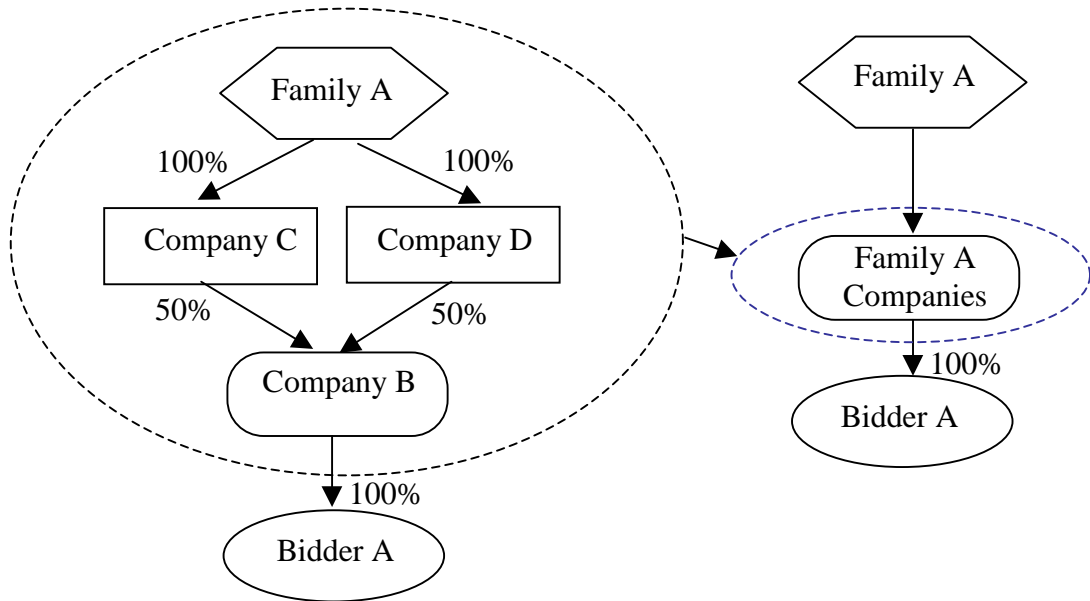
- APPLICATION FORM INSTRUCTIONS -

On a separate sheet marked
“Confidential”

Actual structure

On the main diagram(s) of the
Bidder’s shareholding structure

Abbreviated structure



- b) A spreadsheet or file in Excel (a soft copy saved on a floppy diskette or CD-ROM should be provided with the Application) for use in a database, listing the registered names of each entity listed pursuant to 4 i) to 4 v).

5 Checklist

Please submit all the documents set out in the checklist in the Application Form and confirm by ticking the relevant check-boxes in the checklist to confirm that they have been provided by the Applicant.

- APPLICATION FORM INSTRUCTIONS -

6 Declaration of minimum First Phase bid

Please sign the declaration.

7 Application Dates

The Application Dates shall be either 17th September, 2001 and 18th September, 2001 or any other dates as notified by the Authority pursuant to the Notice.

8 Submission instructions

The Application Form and all declarations, consents and certificates must be prepared in the English language. The items at 1. and 9. in the checklist can be provided in English and/or Chinese languages.

Each Applicant must provide five copies (one original and four copies) of its Application Form. All supporting documents must be included in each copy, except for:

- i) business cards provided pursuant to 2.1; and
- ii) the annual reports and accounts provided pursuant to 4 v);

of which only a single set is required.

Applications must be sealed in an envelope or envelopes marked:

“For the attention of the Telecommunications Authority”

No other mark should be visible on the envelope.

Applications must be placed in the tender boxes by the person delivering the Application. Staff at OFTA and ITBB will not perform this function.

Further details on submission of Applications may be placed on the OFTA website from time to time.

9 Signatures

The Application Form must be signed by two Representatives who are directors of the Bidder, and stamped with the company seal of the Bidder. Each page of the Application Form must also be signed by these two representatives.

Please note that any additional papers provided as part of the Application Form should be signed by the two officers signing the main body of the Application Form.

- APPLICATION FORM INSTRUCTIONS -

Any such additional sheets should also be numbered after the section to which they relate (e.g. 4a), 4b), 4c) etc).

END OF APPLICATION FORM INSTRUCTIONS

- APPLICATION FORM -

1.1 DETAILS OF THE APPLICANT

Registered Name of the Applicant:

Company Number:

Registered Address:

Principal Place of Business (if different from the registered address)

Telephone Number:

Fax Number:

1.2 CONTACT DETAILS OF THE APPLICANT

Address:

Telephone Number:

Signed:..... Signed:.....

- APPLICATION FORM -

Fax Number:	
E-mail Address:	

1.3 PRINCIPAL CONTACTS OF THE APPLICANT

Contact 1	
Name:	
Title and/or Position:	
Telephone Number:	
Mobile Number:	
Fax Number:	
E-mail Address:	

Contact 2	
Name:	
Title and/or Position:	
Telephone Number:	
Mobile Number:	

Signed:..... Signed:.....

- APPLICATION FORM -

Fax Number:	
E-mail Address:	

Contact 3	
Name:	
Title and/or Position:	
Telephone Number:	
Mobile Number:	
Fax Number:	
E-mail Address:	

1.4 BANK ACCOUNT (FOR REIMBURSEMENT OF DEPOSIT)

Name of Bank:	
Account Name:	
Account Number:	

Signed:..... Signed:.....

- APPLICATION FORM -

1.5 BOARD OF DIRECTORS AND OTHER KEY MEMBERS OF THE MANAGEMENT OF THE APPLICANT

Name:	Title and/or Position:

If additional space is required, please attach additional sheets labelled 1.5(a), 1.5(b), 1.5(c) etc

Signed:..... Signed:.....

- APPLICATION FORM -

1.6 APPLICANT'S RELATIONSHIP WITH 2G OPERATOR(S)

Is the Applicant a 2G Operator?

Is the Applicant controlling, under the control of, or under common control with any 2G Operator?

Does the Applicant or any party with a Bidding Interest in the Applicant also have a 2G Interest in any 2G Operator?

Signed:..... Signed:.....

- APPLICATION FORM -

2.1 APPLICANT'S REPRESENTATIVES

1.	Name:	
	Employer (or relationship between this representative and the Applicant):	
	Title and/or Position:	
	ID Card/Passport Number	
	Signature:	

2.	Name:	
	Employer (or relationship with the Applicant):	
	Title and/or Position:	
	ID Card/Passport Number	
	Signature:	

3.	Name:	
	Employer (or relationship with the Applicant):	
	Title and/or Position:	
	ID Card/Passport Number	
	Signature:	

4.	Name:	
	Employer (or relationship with the Applicant):	
	Title and/or Position:	
	ID Card/Passport Number	
	Signature:	

Signed:..... Signed:.....

- APPLICATION FORM -

5.	Name:	
	Employer (or relationship with the Applicant):	
	Title and/or Position:	
	ID Card/Passport Number	
	Signature:	

6.	Name:	
	Employer (or relationship with the Applicant):	
	Title and/or Position:	
	ID Card/Passport Number	
	Signature:	

7.	Name:	
	Employer (or relationship with the Applicant):	
	Title and/or Position:	
	ID Card/Passport Number	
	Signature:	

8.	Name:	
	Employer (or relationship with the Applicant):	
	Title and/or Position:	
	ID Card/Passport Number	
	Signature:	

Signed:..... Signed:.....

- APPLICATION FORM -

4 OWNERSHIP STRUCTURE OF THE APPLICANT

Signed:..... Signed:.....

- APPLICATION FORM -

5 CHECKLIST

		Please tick:
1.	Provide a certified true copy of the Memorandum and Articles of Association of the Applicant, or equivalent documents.	<input type="checkbox"/>
2.	Please provide the signed Bidder Compliance Certificate in the same format as set out at Appendix 2 to the Notice.	<input type="checkbox"/>
3.	Please confirm that the Deposit has either: i) been provided together with this Applicant Form as a Letter of Credit in the same format as set out at Appendix 7 of the Notice; or ii) been provided in cash (clear funds) to the account of OFTA. A certified true copy of the relevant document(s) is provided together with this Applicant Form.	<input type="checkbox"/>
4.	Provide the signed Connected Bidder Statutory Declaration in the same format as set out at Appendix 3 to the Notice.	<input type="checkbox"/>
5.	Please provide the MVNO Statutory Declaration in the same format as set out at Appendix 4 of the Notice.	<input type="checkbox"/>
6.	Please provide the Domestic Roaming Consent Letter, if applicable	<input type="checkbox"/>
7.	If the Applicant is part of a 2G Bidding Group, please provide a certified true copy of the TA' s consent to the arrangement.	<input type="checkbox"/>
8.	Please provide one business card of each of the Applicant' s Representatives.	<input type="checkbox"/>
9.	Provide one copy of the latest annual report and accounts of each party listed pursuant to 4 v) of the Application Form instructions.	<input type="checkbox"/>
10.	Please confirm provision of soft-copy ownership information pursuant to 4b) of the Application Form Instructions	<input type="checkbox"/>

Note: Please put "n/a" on the check box for item(s) which are not applicable

Signed:..... Signed:.....

- APPLICATION FORM -

6 DECLARATION OF MINIMUM FIRST PHASE BID

We, and, the undersigned, as directors and Representatives of the Bidder, confirm and acknowledge that this Application, once submitted to the Authority, cannot be withdrawn other than in accordance with the Notice and that this Application commits the Applicant to a minimum bid in the First Phase of the Auction at the First Phase Reserve Price.

We confirm that the factual information provided in, or in support of, the Application is, to the best of the Bidder's and its respective Insiders' knowledge, information and belief, true, accurate and has no material omissions and that any opinion expressed is honestly held.

Signed:

Authorised signature
(name and position)

Authorised signature
(name and position)

Company seal

Date: _____

END OF APPLICATION FORM

Signed:..... Signed:.....

APPENDIX 2 - BIDDER COMPLIANCE CERTIFICATE

TO: The Office of the Telecommunications Authority
29th Floor, Wu Chung House
213 Queen's Road East
Wanchai
Hong Kong (the "**Authority**")

FROM: [*Name and address of Bidder*] (the "**Bidder**")

DATE: [], 2001

Dear Sirs,

We refer to the Notice dated 18th July, 2001 issued by the Authority in exercise of the powers conferred by section 32I of the Ordinance and the Regulation and all other powers enabling him to specify the terms and conditions of the Auction and the payment of the Spectrum Utilization Fees (the "Notice").

1. The Bidder certifies and undertakes to the Authority that:
 - 1.1 the representatives of the Bidder have read and understood the Licence, the Ordinance, the Regulation, the Telecommunications (Designation of Frequency Bands Subject to Payment of Spectrum Utilization Fee) Order, the notice issued by Secretary for Information Technology and Broadcasting specifying the Bidding Schedule, the Notice and the Information Memorandum dated 18th July 2001 issued by the Authority, and that it has complied, and will comply, with the Conditions and the Notice including the Schedules and Appendices to the Notice as appropriate;
 - 1.2 it is legally capable of bidding in the Auction and has in place all necessary approvals, consents, permissions and board approvals including, without limitation, any approvals, consents, permissions and board approvals from any member of its Corporate Group, under any law or rules and regulations issued by any governmental or regulatory or supervisory body in any competent jurisdiction other than an Approval;
 - 1.3 it agrees with and accepts the Conditions and is legally capable of satisfying the Conditions in accordance with their terms including, without limitation:
 - (a) the obligation to provide interconnection to its network and services and to provide services in accordance with Special Condition 12 of the Conditions; and
 - (b) the obligation with respect to coverage of network and service in accordance with Special Condition 1 of the Conditions;
 - 1.4 the factual information provided in, or in support of, the Application is, to the best of the Bidder's and its respective Insiders' knowledge, information and belief, true, accurate and has no material omissions and that any opinion expressed is honestly held;

- 1.5 it will comply, and ensure, to the best of its ability, that all of its Insiders will comply, with the provisions of the Notice including, without limitation, and in particular with the provisions of section 5 of Part 6 of the Notice relating to the confidentiality of information provided to them by the Authority during the course of the Auction;
- 1.6 it shall not and none of its Insiders shall co-operate, collaborate, collude or discuss with, or disclose to, any other Bidder or any of that other Bidder's Insiders for any purpose relating to the Auction including, without limitation, in connection with the substance of that Bidder's Final Offer or bidding strategy nor manipulate or attempt to manipulate or make any arrangements to manipulate the Auction in any way with a view to achieving a particular result or outcome of the Auction;
- 1.7 none of the Bidder nor any of its Insiders have in place any arrangements or understanding with any other Bidder or any of that other Bidder's Insiders to co-operate, collaborate or collude or otherwise manipulate or attempt to manipulate the outcome of the Auction;
- 1.8 none of the Bidder nor its Insiders have entered into, nor will not seek to enter into, or permit to subsist any agreement, arrangement or understanding of a type specified in paragraph 6.6.1 of the Notice or which might restrict its means of determining a business case;
- 1.9 to the best of its knowledge, information and belief, having made all reasonable enquiries, no person who is a director, employee or agent of the Bidder or of any of the Bidder's Insiders, who is also a director, employee or agent of any other Bidder or of any of that other Bidder's Insiders:
 - (a) has taken part, or will take part, in preparing both Bidders or their Insiders for participation in the Auction;
 - (b) has been in possession, or is in possession, of Confidential Information relating to both Bidders;
 - (c) has passed, or will pass, Confidential Information relating to one Bidder to another Bidder or its Insiders;
- 1.10 save as disclosed in its Application Form, the Bidder is not a member of a 2G Bidding Group;
- 1.11 there is no petition presented against it or a proceeding commenced or an order made or an effective resolution passed for the winding-up, insolvency, administration, reorganisation, reconstruction, dissolution or bankruptcy of the Bidder or for the appointment of a liquidator, receiver, administrator, trustee or similar officer of the Bidder over all or any part of the business or assets of the Bidder and no circumstances have arisen which entitle any person to take any action, commence any proceeding, obtain any order or appoint any person of the type specified in this paragraph;
- 1.12 no person with a Bidding Interest in the Bidder, no person controlled by the Bidder or by any person with a Bidding Interest in the Bidder and none of the Bidder's Insiders has a petition presented against it or a proceeding commenced or an order made or an effective resolution passed for its winding-up, insolvency, administration, reorganisation, reconstruction, dissolution or bankruptcy or for the appointment of a

liquidator, receiver, administrator, trustee or similar officer over all or any part of its business or assets and no circumstances have arisen which entitle any person to take any action, commence any proceeding, obtain any order or appoint any person of the type specified in this paragraph, which may be expected to have a material adverse impact on the Bidder's ability to participate in the Auction or to satisfy the Conditions of any Licence granted to the Bidder;

- 1.13 none of the Bidder nor its Insiders, and none of their respective directors, officers or representatives, are the subject of criminal investigations or proceedings in Hong Kong or in any other jurisdiction which might reasonably be expected to adversely affect their business or materially affect the Bidder's ability to participate in the Auction or to satisfy the Conditions of any Licence granted to the Bidder, and that there is no reason to believe that any investigations or proceedings might occur during the Auction;
 - 1.14 none of the Bidder nor its Insiders have had any telecommunications or radiocommunications licence, consent, authority, permission, concession agreement, or other document or allocation of radio spectrum in Hong Kong withdrawn, cancelled or suspended owing to the default or breach by the Bidder or its Insiders of the conditions of that licence, consent, authority, permission, concession agreement, or other document or allocation of radio spectrum in Hong Kong; and
 - 1.15 none of the Bidder nor its Insiders is party to any civil litigation or proceedings which may be expected to have a material adverse impact on the Bidder's ability to participate in the Auction or to satisfy the Conditions of any Licence granted to the Bidder.
2. Unless otherwise stated, words and expressions used in this certificate have the same meanings given to them in the Notice, unless the context otherwise requires.

Yours faithfully,

.....
Representative of Bidder
For *[name of Bidder]*

.....
Representative of Bidder
For *[name of Bidder]*

APPENDIX 3 - CONNECTED BIDDER STATUTORY DECLARATION

I, [] of []
being [] of [] (the
"Bidder") refer to the Notice dated 18th July, 2001 issued by the Authority in exercise of the powers conferred by section 32I of the Ordinance and the Regulation and all other powers enabling him to specify the terms and conditions of the Auction and the payment of the Spectrum Utilization Fees (the "Notice").

I do solemnly and sincerely declare that to the best of my knowledge, information and belief, having made all due enquiries of any person:

- (a) who is controlling the Bidder;
- (b) so far as I am aware, has a Participation or Indirect Interest in the Bidder;
- (c) who is controlled by the Bidder;
- (d) who is under common control with the Bidder; and
- (e) in which the Bidder has a Participation or Indirect Interest,

and having informed them of the relevant provisions of the Regulation, the Notice and the Information Memorandum dated July, 2001:

- (i) there is no other Bidder which is a Connected Bidder in relation to the Bidder other than as set out below nor has the Bidder nor any of the persons specified in (a) to (e) above taken any steps deliberately to arrange for or assist in arranging, any other Bidder to be a Connected Bidder in relation to the Bidder; and
- (ii) the Bidder does not control, is not controlled by, nor is under common control with any other Bidder.

Connected Bidder

Name:

Address / Registered Office:

Unless otherwise stated, words and expressions used in this statutory declaration have the same meanings as those given to them in the Notice unless the context otherwise requires.

AND I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Ordinance (Cap. 11).

DECLARED at

Dated _____, 2001

Before me

(Signature and Designation
i.e. Justice of the Peace / Notary Public /
Commissioner of Oaths / Solicitor)

APPENDIX 4 - MVNO STATUTORY DECLARATION

I, [] of []
being [] of []
(the "Bidder") refer to the Notice dated 18th July, 2001 issued by the Authority in exercise of the powers conferred by section 32I of the Ordinance and the Regulation and all other powers enabling him to specify the terms and conditions of the Auction and the payment of the Spectrum Utilization Fees (the "Notice").

I do solemnly and sincerely declare that neither of the Bidder nor any person:

- (a) who is controlling the Bidder;
- (b) who is controlled by the Bidder; or
- (c) who is under common control with the Bidder,

has entered into any agreement or arrangement under which it will obtain interconnection, access or services in its capacity as an MVNO.

Unless otherwise stated, words and expressions used in this statutory declaration have the same meanings as those given to them in the Notice unless the context otherwise requires.

AND I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Ordinance (Cap. 11).

DECLARED at

Dated , 2001

Before me

(Signature and Designation
i.e. Justice of the Peace / Notary
Public / Commissioner of Oaths / Solicitor)

APPENDIX 5 - PERFORMANCE BOND

THIS PERFORMANCE BOND is made on _____, 2001

BY:

- (1) **[BANK]**, a banking corporation incorporated in [_____] [with limited liability] whose [registered office/principal place of business in Hong Kong] is at [_____] (the "Bank").

IN FAVOUR OF:

- (2) **THE TELECOMMUNICATIONS AUTHORITY OF HONG KONG** appointed under section 5 of the Telecommunications Ordinance whose address is at 29th Floor, Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong (the "Authority").

WHEREAS:

Pursuant to Special Condition 3 of the Mobile Carrier Licence dated [_____], 2001 (the "Licence"), the Licensee is required to provide to the Authority a Performance Bond issued by a Qualifying Bank (as defined below) which shall remain in full force for the duration of the Licence. The Bank is a Qualifying Bank.

1. INTERPRETATION

1.1 Definitions

In this Performance Bond:

"Bonded Sum" means an amount of HK\$[_____];

"Business Day" means a day other than a Saturday or Sunday on which the banks in Hong Kong are open for general business;

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China;

"Licensee" means [_____];

"Ordinance" means the Telecommunications Ordinance (Cap. 106);

"Qualifying Bank" has the meaning given to it in Special Condition 3.4;

"Regulation" means the Telecommunications (Method for Determining Spectrum Utilization Fees) (Third Generation Mobile Services) Regulation;

"Spectrum Utilization Fee" means the fee determined in accordance with Special Condition 2.1; and

"subsidiary" has the meaning given to it in the Companies Ordinance (Cap. 32).

1.2 **Construction**

In this Performance Bond, unless the contrary intention appears, a reference to:

- (a) a provision of law is a reference to that provision as amended, extended or re-enacted;
- (b) a reference to any document shall include that document as it may be amended, novated or supplemented from time to time;
- (c) a clause is a reference to a clause of this Performance Bond;
- (d) a person includes its successors and assigns; and
- (e) headings are for convenience only and are to be ignored in construing this Performance Bond.

2. **PERFORMANCE BOND**

2.1 On the occurrence of all or any of the following events:

- (a) failure of the Licensee to pay all or any of the Spectrum Utilization Fee due to insolvency of the Licensee;
- (b) surrender of the Licence by the Licensee;
- (c) a decision by the Chief Executive in Council to cancel or suspend the licence or the Authority to cancel, withdraw or suspend the Licence pursuant to section 34(4) of the Ordinance; or
- (d) the Licensee ceasing to provide telecommunications services over the telecommunications network pursuant to the Licence,

the Bank shall on demand made by the Authority in writing and without evidence that the relevant events have in fact occurred pay, satisfy and discharge without cavil or delay the Bonded Sum.

2.2 The obligations under this Performance Bond constitute direct primary, irrevocable and unconditional obligations of the Bank.

2.3 This Performance Bond shall continue in full force and effect until payment by the Bank to the Authority of the Bonded Sum in full in accordance with subclause 2.1 provided that no demand may be made under this Performance Bond after [].
[Note: the expiry date shall be the date on which the payment of the Spectrum Utilization Fee in respect of the latest Royalty Year covered by this Performance Bond is due except that, where are less than 5 years remaining under the Licence, the expiry date shall be 12 months after the due date for payment of the Spectrum Utilization Fee for the last Royalty Year.]

2.4 For the purposes of this clause, "insolvency" of the Licensee includes where the Licensee goes into liquidation whether compulsory or voluntary or if an order is made or a resolution is passed for the winding up or a receiver or an administrator is appointed or it enters into any arrangement or composition with its creditors

generally or ceases to carry on business or to be able to pay its debts when they fall due or becomes subject to other proceedings analogous in purpose or effect including, without limitation, the appointment of a receiver, trustee or liquidator for any such purpose.

3. MAXIMUM LIMIT

The maximum amount for which the Bank shall be liable under this Performance Bond shall not exceed the aggregate of:

- (a) the Bonded Sum; and
- (b) the aggregate of all sums payable under clauses 4 and 7.

4. INTEREST AND COSTS

The Bank shall pay interest on the Bonded Sum from the date of demand to the date of payment in full (both dates inclusive) compounded quarterly (both before and after judgment) at 2 per cent. per annum over the prime rate quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time. The interest shall be payable on demand and accrue from day to day on the basis of the number of days elapsed and a 365 day year.

5. WAIVER OF DEFENCES

The liability of the Bank under this Performance Bond shall remain in full force and effect and not be prejudiced, affected, discharged, impaired or diminished by any act, omission or circumstance which, but for this condition, might prejudice, affect, discharge, impair or diminish that liability including, without limitation, and whether or not known to the Bank:

- (a) any time or waiver granted to, or release of or composition with, the Licensee or any other person;
- (b) any suspension, cancellation, revocation, withdrawal or amendment of, or variation to, the Licence (including, without limitation, extensions of time for performance) or any concession or waiver by the Authority, the Government of Hong Kong, the Chief Executive in Council, the Chief Executive or, without limitation, any other person in respect of the Licensee's obligations under the Licence;
- (c) any forbearance or waiver of any right, power or remedy the Authority, the Government of Hong Kong, the Chief Executive in Council or the Chief Executive 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 the persons referred to in (c) above or with the Bank; or
- (e) the liquidation, administration, dissolution, lack of capacity or authority, or any change in the name or constitution of the Licensee or the Bank.

6. ADDITIONAL SECURITY

This Performance Bond is in addition to and not in substitution for or prejudiced by any present and future guarantee, lien or other security held by the Authority as security for the obligations of the Licensee. The Authority's rights, powers and remedies under this Performance Bond are in addition to and not exclusive of those provided by law.

7. NO DEDUCTIONS AND TAXES

All sums payable under this Performance Bond shall be paid in full without set-off or counter-claim and free and clear of, and without deduction of or withholding for, or on account of, any present or future taxes, duties or other charges. If any payment is subject to any tax, duty or charge, or if the Bank is required by law to make any deduction or withholding, the Bank shall pay the tax, duty or charge and shall pay to the Authority any additional amounts as shall result in the Authority receiving a net amount equal to the full amount which it would have received had no payment, deduction or withholding been required.

8. PAYMENTS

All payments to be made by the Bank under this Performance Bond shall be made in immediately available funds in the currency and in the manner as the Authority may specify.

9. WARRANTY

The Bank warrants that this Performance Bond constitutes its legally binding obligations enforceable in accordance with its terms (subject to insolvency laws and creditors' rights generally and principles of equity) and does not conflict with any law, regulation or instrument binding on or relating to the Bank and that this Performance Bond is within its powers and has been duly authorised by it.

10. INFORMATION AND CONSENTS

The Bank shall:

- (a) supply the Authority with publicly available information as to itself and (if applicable) its subsidiaries as the Authority may reasonably request;
- (b) promptly obtain all official and other consents, licences and authorisations necessary or desirable for the entry into and performance of its obligations under this Performance Bond, whether or not performance has become due; and
- (c) promptly notify the Authority if the Bank ceases to be a Qualifying Bank.

The Bank warrants that all consents, licences and authorisations required or desirable under existing law in accordance with this clause have been obtained.

11. NOTICES

11.1 All documents arising out of or in connection with this Performance Bond shall be served:

(a) on the Authority, at 29th Floor, Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong marked for the attention of the Authority; and

(b) on the Bank, at its address stated in this Performance Bond.

11.2 The Authority and the Bank may change their respective nominated addresses for service of documents to another address in Hong Kong by giving not less than five Business Days' prior written notice to each other. All notices, demands and communications must be in writing.

11.3 Any notice, demand or communication sent to the Authority or the Bank as provided in this clause shall be deemed to have been given, if sent by post, two Business Days after posting (and in proving delivery it shall be sufficient to provide that the notice, demand or communication was properly addressed and put in the post), if delivered by hand, at the time of delivery or, if sent by facsimile, at the time of despatch.

12. ASSIGNMENTS

The Bank shall not assign, transfer, novate or dispose of any of its rights and obligations under this Performance Bond. The Authority may assign all or any part of its rights and benefits under this Performance Bond at any time without the consent of the Licensee or the Bank.

13. REMEDIES AND WAIVERS

No delay or omission of the Authority in exercising any right, power or remedy under this Performance Bond shall impair that right, power or remedy or constitute a waiver of it nor shall any single or partial exercise of any right, power or remedy preclude any other or further exercise of it or the exercise of any other right, power or remedy. The rights, powers and remedies provided in this Performance Bond are cumulative and not exclusive of any rights, powers or remedies which the Authority would otherwise have.

14. GOVERNING LAW AND FORUM

14.1 This Performance Bond shall be governed by laws for the time being in force in Hong Kong and the Bank agrees to submit to the non-exclusive jurisdiction of the courts of Hong Kong.

14.2 The Bank irrevocably appoints [] of [] as its agent for service of process in connection with proceedings in the Hong Kong Courts and agrees that any process shall be sufficiently and effectively served on it if delivered to that agent at that address, or in any other manner permitted by law. Nothing in this clause is to limit right of the Authority to take proceedings against the Bank in any other court of competent jurisdiction but this provision applies only to the extent that it does not prejudice the above agreement as to the jurisdiction of the Hong Kong Courts.

14.3 The Bank irrevocably and generally consents in respect of any legal action or proceedings anywhere (whether for an injunction, specific performance, damages or otherwise) arising out of or in connection with this Performance Bond to the giving of any relief or the issue of any process in connection with it including, without limitation, the making, enforcement or execution against any assets whatsoever (irrespective of their use or intended use) of any order (whether or not pre-judgment) or judgment which may be made or given there, and irrevocably and unconditionally waives, in any such action or proceedings anywhere, any immunity from that action or those proceedings, from attachment of its assets prior to judgment, other attachment of assets and from execution of judgment or other enforcement.

15. COUNTERPARTS

This Performance Bond may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Performance Bond.

IN WITNESS of which this Performance Bond has been executed and delivered as a deed on the date which appears first on page 1.

EXECUTED as a deed by **[BANK]**)
acting by [] and)
[])

.....

APPENDIX 6 - IRREVOCABLE UNDERTAKING

TO: The Office of the Telecommunications Authority (the "**Authority**")
29th Floor, Wu Chung House
213 Queen's Road East
Wanchai
Hong Kong

FROM: [*name and address of person giving undertaking*] (the "**Relevant Person**")

DATE: [], 2001

1. Background

- 1.1 The Authority has issued a notice dated 18th July, 2001 pursuant to section 32I of the Telecommunications Ordinance (Cap. 106) and the Telecommunications (Method for Determining Spectrum Utilization Fees) (Third Generation Mobile Services) Regulation and all other powers enabling him to specify the terms and conditions of the Auction and the payment of the Spectrum Utilization Fee (the "**Notice**") and [] is a Connected Bidder within the definition of "Connected Bidder" contained in paragraph 1.2.1 of the Notice (the "**Relevant Connected Bidder**").
- 1.2 The Relevant Person is a person within subparagraphs [(a)] [(b)] [(c)] of the definition of "Connected Bidder" with respect to the Relevant Connected Bidder.
- 1.3 Pursuant to paragraph 4.6.11 of the Notice, the Relevant Connected Bidder has agreed to provide an irrevocable undertaking to the Authority on the terms set out in this undertaking and in accordance with the requirements set out in paragraph 4.6.11.
- 1.4 For the purposes of this undertaking, all defined terms shall have the same meanings as provided in the Notice, unless expressly provided otherwise, and shall apply notwithstanding that all stages of the Auction have completed in accordance with the terms and conditions of the Notice.

2. Irrevocable Undertaking

- 2.1 In consideration of the Authority inviting the Relevant Connected Bidder to participate in the Third Phase, the Relevant Person:
 - (a) undertakes and agrees with the Authority:
 - (i) to enter into a legally binding agreement or other arrangements with respect to the Bidding Interest or 2G Interest or both which has caused the Relevant Connected Bidder to be a Connected Bidder in relation to any other Provisional Successful Bidder (including, without limitation, the disposal of any Participation or Indirect Interest or both) which have the legal effect that immediately following the completion of the agreement or other arrangements the Relevant Connected Bidder would no longer be a Connected Bidder

in relation to any other Provisional Successful Bidder for the purposes of the Second Phase and the Third Phase;

- (ii) to complete the agreement or other arrangements referred to in subparagraph (i) within six months from the date of the Third Phase Notice;
 - (iii) to provide to the Authority all information which the Authority reasonably requests to enable the Authority to assess whether the Relevant Person is able to and will comply with this irrevocable undertaking;
 - (iv) to provide the Authority with all necessary evidence to show that the Relevant Connected Bidder has ceased to be a Connected Bidder; and
 - (v) not to enter into any agreement or other arrangement within six months from the date on which the Relevant Connected Bidder ceased to be a Connected Bidder which would have the effect of the Relevant Connected Bidder becoming a Connected Bidder in relation to any other Provisional Successful Award Bidder; and
- (b) represents and warrants to the Authority that:
- (i) in giving, and performing its obligations under, this undertaking, it shall not violate or conflict with, or exceed any limit imposed by any law or regulation to which it is subject, its memorandum and articles of association (or equivalent constitutional document) and any other agreement, instrument or undertaking binding on it; and
 - (ii) any information provided in accordance with paragraph 2.1(a)(iii) and (iv) is true and accurate in all respects.

3. Additional Provisions

The following additional provisions apply to this undertaking:

- (a) if there is a conflict between this undertaking and the Notice, the Notice shall prevail;
- (b) this undertaking shall bind any successor of the Relevant Person; and
- (c) this undertaking shall be governed by Hong Kong law and the Relevant Person submits to the non-exclusive jurisdiction of the courts of Hong Kong for all purposes in relation to this undertaking.

IN WITNESS WHEREOF this undertaking has been executed as a deed on the date above.

The common seal of the [))
name of person giving))
undertaking] was affixed))
in the presence of:))

APPENDIX 7 - LETTER OF CREDIT

FORM OF STANDBY LETTER OF CREDIT

TO : The Telecommunications Authority of Hong Kong
The Office of the Telecommunications Authority
29th Floor, Wu Chung House
213 Queen's Road East
Wanchai
Hong Kong (the "**Beneficiary**")

FROM: [*Name and address of issuing bank*] (the "**Issuing Bank**")

DATE: [], 2001

The Issuing Bank issues an irrevocable standby letter of credit in your favour on the following terms on the application and request of [*Name of the Bidder*] (the "**Bidder**") pursuant to a Notice dated 18th July, 2001 issued by the Telecommunications Authority in exercise of the powers conferred by section 32I of the Telecommunications Ordinance (Cap. 106) and the Telecommunications (Method for Determining Spectrum Utilization Fees) (Third Generation Mobile Services) Regulation and all other powers enabling him to specify the terms and conditions of the auction and the payment of the spectrum utilization fee (the "**Notice**"):

IRREVOCABLE STANDBY LETTER OF CREDIT NO. []
DATED [], 2001

BENEFICIARY The Telecommunications Authority of Hong Kong.

EXPIRY DATE 364 days from the date of issue.

AMOUNT OF STANDBY LETTER OF CREDIT Up to a maximum amount of HK\$ [].

AVAILABLE ON Subject to the Additional Conditions below, within three Business Days (as defined in the Notice) of receipt by the Issuing Bank of the Beneficiary's certificate in the form set out below.

AGAINST Presentation from time to time of the Beneficiary's certificate in the following form, either by letter signed by an authorised signatory of the Beneficiary or authenticated telex or SWIFT to the Issuing Bank at [*Address of the Issuing Bank*] (telex no.: [] / SWIFT no.: []).

TO: []

(the "**Issuing Bank**")

FROM: The Telecommunications Authority of Hong Kong
The Office of the Telecommunications Authority
29th Floor, Wu Chung House
213 Queen's Road East
Wanchai
Hong Kong (the "**Beneficiary**")

DATE

Irrevocable Standby Letter of Credit dated [] , 2001
No. [] (the "Standby Letter of Credit")

1. We claim HK\$[] under the Standby Letter of Credit.
2. This amount has become due and payable to us prior to the date of this certificate by way of payment of a Penalty (as defined in the Notice) under the terms and conditions of the Notice.
3. We request payment from the Issuing Bank of the amount specified in paragraph 1 within three Business Days (as defined in the Notice) after the date of this certificate to [*details of Beneficiary's account*] in our favour.

The Telecommunications Authority of Hong Kong

BY: []

TITLE: []

**ADDITIONAL
CONDITIONS**

1. The Beneficiary may make any number of demands for payment up to the Amount of this Standby Letter of Credit as reduced from time to time by the payments made by the Issuing Bank before the Expiry Date.
2. The Issuing Bank shall not be required to investigate the authenticity of any certificate presented by the Beneficiary or the Beneficiary's capacity or entitlement to make any certificate and each certificate issued by the Beneficiary of sums due shall be conclusive, save for manifest error.
3. All payments under this Standby Letter of Credit shall be made in full without any deduction or withholding (whether in respect of set off, counterclaim, duties, present or future taxes, charges or otherwise).

4. The Issuing Bank may not assign or transfer all or any of its rights and obligations under this Standby Letter of Credit to another person without the prior written consent of the Beneficiary.
5. This Standby Letter of Credit is subject to the International Standby Practices 1998 (to the extent not inconsistent with the terms of this Standby Letter of Credit) and is governed by, and shall be construed in accordance with, Hong Kong law.

.....
Representative of Issuing Bank
For [*name of Issuing Bank*]

APPENDIX 8 - ROAMING CONSENT LETTER

TO: The Office of the Telecommunications Authority
29th Floor, Wu Chung House
213 Queen's Road East
Wanchai
Hong Kong (the "**Authority**")

FROM: [*Name and address of Licensee*] (the "**Licensee**")

DATE: [], 2001

Dear Sirs,

1. We refer to the Notice dated 18th July, 2001 issued by the Authority in exercise of the powers conferred by section 32I of the Ordinance and the Regulation and all other powers enabling him to specify the terms and conditions of the Auction and the Spectrum Utilization Fee (the "Notice").
2. We refer to the [public radiocommunications service licence[s] for personal communications service / public radiocommunications service licence[s] for public mobile radio telephone service / mobile carrier licence[s]] dated [] [respectively] granted to the Licensee (the "Licence[s]"). Subject to paragraph 3, the Licensee consents to the amendment of [each of] the Licence[s] to incorporate the special condition set out in the Appendix to this letter in accordance with regulation 8(3) of the Telecommunications Regulations (Cap.106 sub.leg.A).
3. The consent is conditional on the Licensee, any person within the Licensee's Corporate Group or any person which is under common control with the Licensee becoming a Third Phase Bidder.
4. If the consent becomes unconditional in all respects, the Licensee shall return the Licence[s] to the Authority so that the Authority can amend the Licence[s] by an appropriate endorsement on [it][them].
5. Unless otherwise stated, words and expressions used in this letter have the same meanings as those given to them in the Notice unless the context otherwise requires.

Yours faithfully,

.....
Representative of Licensee
For [*name of Licensee*]

.....
Representative of Licensee
For [*name of Licensee*]

[Appendix]

[Roaming Special Condition]

APPENDIX 9 - BIDDING FORM

The Bidding Forms follow. The page numbering is not part of the page numbering of this Notice.

Bidding Form for Bidding Rounds of the First Phase

(please complete in block letters)

Bidding Round:

Bidding increment:

Bidder: _____ (the "Bidder")

Either:

We confirm that the Bidder will remain in the First Phase in this Bidding Round. **We therefore confirm that the Bidder's minimum Final Offer which we may now make is [*lowest percentage for next Bidding Round*]%.**

Password: _____

Signed:

Representative 1

Representative 2

Or:

We confirm that the Bidder withdraws from the First Phase in this Bidding Round.

We confirm that the Bidder's Final Offer is:

10s Units 1st decimal 2nd decimal
 • %

In words: _____ Per cent. (see note 1)

We confirm the Bidder is not willing to bid at or above (see note 2):

10s Units 1st decimal 2nd decimal
 • % (see note 2)

In words: _____ Per cent. (see note 1)

Password: _____

Signed:

Representative 1

Representative 2
PTO for notes

Note 1:

For percentages in words, all numbers should be written. For example:

- (a) 15.16% should be written as “One five point one six” but not “Fifteen point one six” or any other variant;*
- (b) 15.10% should be written as “One five point one zero”, not “One five point one” or any other variant; and*
- (c) 15.01% should be written as “One five point zero one” but not any other variant.*

Note 2:

The percentage at which the Bidder withdraws must be 0.01% above the Bidder’s Final Offer

**Bidding Form for Revised Final Offer for resolution of tied bids in the
Tied Bidding Rounds**
(please complete in **block letters**)

Bidder: _____ (the “Bidder”)

We confirm that the Bidder makes a Revised Final Offer. The Bidder’s Revised Final Offer is:

10s	Units	1st decimal	2nd decimal	
<input style="width: 40px; height: 25px;" type="text"/>	<input style="width: 40px; height: 25px;" type="text"/>	• <input style="width: 40px; height: 25px;" type="text"/>	<input style="width: 40px; height: 25px;" type="text"/>	%

In words: _____ Per cent.
(see note 1)

We confirm the Bidder is not willing to bid at or above (see note 2):

10s	Units	1st decimal	2nd decimal	
<input style="width: 40px; height: 25px;" type="text"/>	<input style="width: 40px; height: 25px;" type="text"/>	• <input style="width: 40px; height: 25px;" type="text"/>	<input style="width: 40px; height: 25px;" type="text"/>	%

In words: _____ Per cent.
(see note 1)

Password: _____

Signed:

Representative 1

Representative 2

PTO for notes

Note 1:

For percentages in words, all numbers should be written. For example:

- (a) 15.16% should be written as “One five point one six” but not “Fifteen point one six” or any other variant;*
- (b) 15.10% should be written as “One five point one zero”, not “One five point one” or any other variant; and*
- (c) 15.01% should be written as “One five point zero one” but not any other variant.*

Note 2:

The percentage at which the Bidder withdraws must be 0.01% above the Bidder’s Final Offer

Bidding Form: spoken confirmation for First Phase

“I, [*Representative’s name*], confirm that [*Bidder’s name*] will remain in the First Phase for this Bidding Round [*this Bidding Round number*]. I confirm that the minimum Final Offer that [*Bidder’s name*] may make in the First Phase is [*lowest royalty percentage of next round, in numbers*] percent in Round [*next round number*]. Our password is [*password*].”

Bidding Form: spoken withdrawal for First Phase

“I, [*Representative’s name*], confirm that [*Bidder’s name*] withdraws from the First Phase of the Auction. I confirm that [*Bidder’s name*]’s Final Offer to be [*percentage in numbers*] percent. I confirm that [*Bidder’s name*] is not willing to bid at or above [*Final Offer percentage plus 0.01%, in numbers*] percent for the First Phase of the Auction. Our password is [*password*].”

Note: For spoken percentages, the Representative should say each number. For examples:

- (a) 15.16% should be spoken as “One five point one six” but not “Fifteen point one six” or any other variant;*
- (b) 15.10% should be spoken as “One five point one zero”, not “One five point one” or any other variant; and*
- (c) 15.01% should be spoken as “One five point zero one” but not any other variant.*

Bidding Form: spoken Revised Final Offer
(for resolution of tied bids in the First Phase)

“I, [*Representative’s name*], confirm that the Revised Final Offer of [*Bidder’s name*] for the First Phase of the Auction is [*percentage in numbers*] percent. I confirm that [*Bidder’s name*] is not willing to bid at or above [*Revised Final Offer percentage plus 0.01%, in numbers**] percent for the First Phase of the Auction. Our password is [*password*].”

Note: For spoken percentages, the Representative should say each number. For examples:

- (a) 15.16% should be spoken as “One five point one six” but not “Fifteen point one six” or any other variant;*
- (b) 15.10% should be spoken as “One five point one zero”, not “One five point one” or any other variant; and*
- (c) 15.01% should be spoken as “One five point zero one” but not any other variant.*

Bidding Form for the Second Phase
(please complete in block letters)

Bidder: _____

We confirm that _____ bids:

(in numbers): HK\$ _____

(in words): HK\$ _____

in the Second Phase of the Auction.

Signed:

Representative 1

Representative 2

Date: *[date of the Second Phase of the Auction]*

Bidding Form for the Second Phase for resolution of tied bids
(please complete in block letters)

Bidder: _____

We confirm that _____ bids an **additional**

(in numbers): HK\$ _____

(in words): HK\$ _____

in the Second Phase of the Auction.

Signed:

Representative 1

Representative 2

Date: *[date of the Second Phase of the Auction]*

Bidding Form for the Third Phase
(please complete in block letters)

Bidder: _____

We confirm that _____ bids:

(in numbers): HK\$ _____

(in words): HK\$ _____

in the Third Phase of the Auction.

Signed:

Representative 1

Representative 2

Date: [date of the Third Phase of the Auction]

Bidding Form for the Third Phase for resolution of tied bids
(please complete in block letters)

Bidder: _____

We confirm that _____ bids an **additional**

(in numbers): HK\$ _____

(in words): HK\$ _____

in the Third Phase of the Auction.

Signed:

Representative 1

Representative 2

Date: *[date of the Third Phase of the Auction]*

Bidding Form: Frequency band selection in the Third Phase
(please complete in **block letters**)

Bidder: _____ (the "Bidder")

We confirm that the Bidder selects Frequency Band: _____ *[A, B, C or D]*

Signed:

Representative 1

Representative 2

Date: *[date of the Third Phase of the Auction]*

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