

## **PROCEDURAL MANUAL FOR BIDDERS (THIRD PHASE)**

### **A. General**

1. Each Bidder must strictly follow the terms and conditions of the notice dated 18 July 2001 (as modified) 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") and the procedures as set out in this manual (the "Manual"). Unless otherwise stated, words and expressions used in the Manual and by any person at the Auction Location (the "Auction Team") have the same meanings as those given to them in the Notice unless the context otherwise requires.
2. The Authority has the right to impose Penalties on a Bidder if the Bidder or any of its representatives breaches any of the terms and conditions of the Notice and/or the procedures as set out in the Manual.

### **B. Auction Location of the Frequency Band selection process**

1. Each of the Auction Location, the date and time at which bids must be submitted to the Auction Location, and the date and time at which Third Phase Bidders must be present at the Auction Location will be notified to each Third Phase Bidder in the Third Phase Notice. Each Third Phase Bidder will be required to submit its bid in advance (in accordance with the procedures as set out in Section C below) between 9:00 a.m. and 12:00 Noon, and report to the Auction Location at 3:00 p.m, on Wednesday, 26 September 2001 in relation to the Frequency Band selection process.
2. Each Third Phase Bidder can send up to four representatives to the Auction Location in relation to the Frequency Band selection process. These representatives must be amongst those whose names are set out in its Application Form. At least two of them must be representatives authorised to bid for that Third Phase Bidder whose names and signatures were contained in Section 2.2 of that Third Phase Bidder's Application Form.

### **C. Bidding process**

1. Each Third Phase Bidder must prepare its bid by using the Bidding Form for the Third Phase attached to the Third Phase Notice. This bid must be expressed as any cash amount expressed in Hong Kong dollars and whole cents. The cash amount is payable on the grant of the Licence as part of the Spectrum Utilization

Fees. The Third Phase Bidding Form must be put inside a sealed non-transparent envelope (marked with the name of the Third Phase Bidder). This sealed envelope must then be put inside another non-transparent sealed envelope which must be marked "For the attention of Mr. M. H. Au" and "Third Phase Bid". Each Third Phase Bidder must submit this sealed envelope to the Auction Location at the time for submission of the Third Phase bid set out in the Third Phase Bidder Notice sent to that Third Phase Bidder.

2. The Auctioneer will review each Third Phase bid received from the Third Phase Bidders and determine the order in which each Third Phase Bidder selects the Frequency Bands. If there are no tied bids, the Auctioneer will then send out a Selection Notice to each Third Phase Bidder which will set out the bid of each Third Phase Bidder and the order in which the Third Phase Bidders are entitled to select the Frequency Bands.
3. If a tied bid occurs, each Third Phase Tied Bidder will be notified of the tie and required to make an additional bid by filling in the Bidding Form for the Third Phase for resolution of tied bids attached to the notification of Sub-Auction for Third Phase Tied Bidders. This notification will set out the total bid of each Third Phase Bidder. The Bidding Form must be put inside a sealed non-transparent envelope (marked with the name of the Third Phase Tied Bidder). Each Third Phase Tied Bidder shall prepare its additional bid before it reports to the Auction Location at 3:00 p.m. on Wednesday, 26 September 2001 and submit the Bidding Form to the Auctioneer at the Auction Location. The Auctioneer will then determine the order in which these Third Phase Tied Bidders are entitled to select the Frequency Bands. If a tie recurs between these Third Phase Tied Bidders, a random selection method will be adopted to determine the order in which these Third Phase Tied Bidders select the Frequency Bands. After all the ties (if any) have been resolved, the Authority will provide each Third Phase Bidder with a Selection Notice which will set out the total bid of each Third Phase Bidder and the order in which the Third Phase Bidders are entitled to select the Frequency Bands.

There is no upper limit on the amount of the additional bid which can be made by a Third Phase Tied Bidder. Each additional bid must be expressed as any cash amount expressed in Hong Kong dollars and whole cents. In addition, the amount of any additional bid by a Third Phase Tied Bidder will not affect the order in which the other Third Phase Bidders are entitled to select the Frequency Bands which will have been determined by their original bids for the Third Phase of the Auction.

4. All Bidding Forms must be prepared in English. A sample Bidding Form for the Third Phase is attached as Annex 1. A sample Bidding Form for the Third Phase for resolution of tied bids is attached as Annex 2.

**D. Frequency Band selection process**

1. All of the Third Phase Bidders will be located in the same room at the Auction Location. If there are tied bids in the Third Phase of the Auction, the Selection Notice will be given to the Third Phase Bidders at the Auction Location. Otherwise, the Selection Notice will be sent to the Third Phase Bidders before they have reported to the Auction Location.
2. After the resolution of tied bids, if any, the Auctioneer will provide each Third Phase Bidder with a Selection Notice. In addition, the Auctioneer will make a short announcement explaining the Frequency Bands selection process.
3. The Auctioneer will then begin the Frequency Band selection process.
4. Each Third Phase Bidder will be given approximately 10 minutes, according to the priority as determined by the bidding process, for preparing and submitting the Frequency Band selection form (which will be provided at the Auction Location) to the Auctioneer. The exact period of time allowed for preparing the Frequency Band selection form will be announced by the Auctioneer. All forms must be received by the Auctioneer within the specified period of time allowed for the Frequency Band selection process. The form must be prepared in English. A sample Frequency Band selection form for the Third Phase is attached as Annex 3.
5. The Third Phase Bidder whose turn it is to select a Frequency Band will be given the opportunity to fill in the Frequency Band selection form in private room should it so wish.
6. At the end of the Frequency Band selection process, the Auctioneer will announce the results of Frequency Band allocation. Third Phase Bidders will be allowed to leave the Auction Location after the results are announced.

**Office of The Telecommunications Authority**

24 September 2001

**Bidding Form for the Third Phase**  
(please complete in **block letters**)


**Bidder:** BIDDER A


We confirm that BIDDER A bids:

(in numbers): HK\$ 1,469,500.39

(in words): HK\$ ONE MILLION FOUR HUNDRED SIXTY NINE THOUSAND  
FIVE HUNDRED DOLLARS AND THIRTY NINE CENTS

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:** BIDDER A

We confirm that BIDDER A bids an **additional**

(in numbers): HK\$ 500,495.53

(in words): HK\$ FIVE HUNDRED THOUSAND FOUR HUNDRED

NINETY FIVE DOLLARS AND FIFTY THREE CENTS

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:** BIDDER A (the "Bidder")

We confirm that the Bidder selects Frequency Band: A

Signed:   
Representative 1

  
Representative 2

Date: [date of the Third Phase of the Auction]

**This Bidding Form is the property of the Government**