

Dear Sirs,

**RE: Direct Interconnection between**

We write to confirm our previous discussions regarding the direct interconnection for voice mobile traffic between the networks of

. The parties have agreed to set forth in this letter the basic terms and conditions of such interconnection arrangement prior to the finalisation of a formal direct interconnection agreement (the "Formal Agreement"). Based on the following understandings and commitments, the parties agree to set up the aforesaid direct interconnections with immediate effect:

1. shall use its best endeavours to arrange one T3 transmission circuit at its own cost to connect the mobile switches in its network with each of those switches of and start sending outgoing voice traffic to via its direct interconnections with respectively no later than (the "Targeted Date"). However, if the said T3 transmission circuit is not available by , the Targeted Date shall be extended to a date as shall be reasonably agreed by all the parties (the "Extended Date").
2. shall jointly use their best endeavours to arrange one T3 transmission circuit at their own costs to connect the mobile switches in their respective networks with that of and start sending outgoing voice traffic to via their respective direct interconnections with no later than the Targeted Date. However, if the said T3 transmission circuit is not available by , the Targeted Date shall be extended to the Extended Date.
3. as the traffic receiving party shall arrange sufficient switch capacity for the purpose of terminating incoming voice calls from sent via the T3 transmission circuit referred to in point no. 2 above.
4. Each of as the traffic receiving party shall arrange sufficient switch capacity for the purpose of terminating all incoming voice calls from sent via the T3 transmission circuit referred to in point no. 1 above.

5. There will be no termination charge or delivery fee whatsoever payable by the originating party of a voice call to the terminating party of such voice call under this direct interconnection arrangement.
6. The term for the interconnection shall be 24 months from the date any of party starts sending outgoing voice traffic to any other party via its direct interconnection with such other party, whichever is the earliest.
7. As this direct interconnection arrangement will enable each party to save PNETS charges, each party shall endeavour to route all its outgoing voice traffic to the others by way of this direct interconnection instead of via fixed networks.
8. The parties agree to use their reasonable endeavours to execute the Formal Agreement within months from the date of this letter which agreement shall contain the terms set out herein and such other customary terms and conditions of an interconnection agreement.
9. The terms herein shall be governed by the laws of the Hong Kong Special Administrative Region of the People's Republic of China.

Yours faithfully  
For and on behalf of

Acknowledged and accepted by:  
For and on behalf of