

Date: 13 January 2004

Dear Sir/Madam,

**RE: Direct Interconnection between
and**

Further to our previous discussion, we would like to confirm the direct interconnection arrangement ("Direct Interconnection") between _____ and _____ in accordance with the following understandings and commitments:

1) The Contract Period

The term for this letter of agreement shall be 24 months from the date on which any of _____ starts sending outgoing traffic to any other party through the Direct Interconnection with such other party, whichever is the earliest and shall continue until any of _____ provides 3 months' advance written notice to the other parties for termination of the Direct Interconnection.

2) Interconnection Link

The initial arrangement for Direct Interconnection is as follow:

- a) _____ shall jointly and at their own cost use their reasonable endeavours to arrange one E1 transmission circuit for connecting their respective networks with the network of _____ no later than mid-February 2004.
- b) _____ shall use its reasonable endeavours to arrange one E1 transmission circuit at its own cost for connecting its network with the respective networks of _____ no later than mid-February 2004.

All parties agree to negotiate in good faith the setting up of additional transmission circuit(s) to accommodate the future growth of call traffic between (1) _____ and (2) _____. The number of additional E1 transmission circuits set up by _____ and/or _____ and shall be in equal quantity.

3) The Interconnection Traffic

All the parties agreed to use the Direct Interconnection as the first route of call traffic conveying between the respective networks of _____ and the network of _____ including but not limited to:

- a) voice traffic for international direct dial service; and
- b) voice traffic for customer service hotline or operator services.

Any overflow of call traffic shall be transited through the network of

4) The Charging Principle

The charging principle for the Direct Interconnection shall be determined in accordance with the principle specified in the statements and directions issued by the Telecommunications Authority of Hong Kong ("TA") on interconnection from time to time.

5) The Interconnection Charge

- a) will irrevocably waive the interconnection charge for voice traffic subject to the basis set out in this letter.
- b) The interconnection charge for any call traffic other than that set out in 5(a) above shall be HKD 0.0436 per occupancy minute.

Any party may request the other parties to review the interconnection charge from time to time and any change shall only be effective after a written agreement with respect to such change has been signed by an authorized person of each party. However, the interconnection charge levied by shall in no case be higher than that as determined by the TA for from time to time.

The billing and settlement procedures in respect of the interconnection charges payable hereunder shall be further agreed by all parties.

6) Exclusion of liability for indirect loss

None of the parties hereto shall be liable to the other parties for any indirect, special and consequential loss and damage which may arise out of or in connection of the arrangement herein contemplated. Without limiting the generality of the foregoing, none of the parties shall be liable to the other parties for any loss or damage attributable to the default of any operator not being a party to this letter agreement.

7) Confidentiality

Each party hereto shall take the same precautions to protect any information disclosed to it by any other party as if such information was its own information and, in so doing, will use reasonable care to protect the information from unauthorized use, exploitation, modification, misappropriation, and reproduction, except as specifically authorized by the disclosing party in writing.

The above confidentiality obligations of a recipient will not apply to information which:

- (a) at the time of disclosure, is within the public domain, or which, after disclosure, becomes readily and lawfully available to the industry or the public, other than by a breach of this letter of agreement;

- (b) was independently developed by the recipient, other than by a breach of this letter of agreement;
- (c) was rightfully obtained at any time by the recipient from a third party without restrictions with respect to disclosure or use of such information; or
- (d) the recipient is by law or by order of any regulatory body or recognized stock exchange compelled to disclose such information, provided that the recipient shall as soon as possible notify the disclosing party of any such compelled disclosure when the recipient first becomes aware of any such obligation to disclose.

8) Other costs

Save as explicitly provided herein, each party shall bear its own costs of preparing and approving this letter of agreement and all costs incidental to the implementation of the arrangements herein contemplated.

9) Governing law

This letter of agreement shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China ("HKSAR") and the parties hereto irrevocably submit to the non-exclusive jurisdiction of the courts of the HKSAR.

Kindly accept and confirm the above by signing on the space provided below and returning to us a counterpart of this letter of agreement for our record.

Yours faithfully,
For and on behalf of

Accepted and Confirmed by:
For and on behalf of

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For and on behalf of