

9 July 1997

POI ESTABLISHMENT AGREEMENT - REPLACEMENT OF SCHEDULES 1C AND 1D

The interconnect transmission capacities provided for by Schedules 1C and 1D of the POI Establishment Agreement dated 29 June 1995 between _____ and _____ (the "POI Agreement") are near exhaustion.

Therefore, _____ and _____ hereby agree that _____ will continue to provide the existing interconnect transmission capacity from _____ to _____ and _____, and will provide additional interconnect transmission capacity from _____ to _____ and _____ in accordance with the terms and conditions of this letter agreement.

_____ and _____ agree to replace Schedule 1C of the POI Agreement with the attached New Schedule 1C effective from the date on which _____ signs this letter. _____ and _____ also agree to replace Schedule 1D of the POI Agreement with the attached New Schedule 1D effective from the date on which _____ signs this letter.

Signed for

by:

Signed for

by:

NEW SCHEDULE 1C OF POI ESTABLISHMENT AGREEMENT

INTERCONNECT LINK (IN T1)

Part I: General

and agree on 1st August 1997 (the "Effective Date") to replace the original Schedule 1C of the POI Establishment Agreement dated 29th June 1995 (the "POI Agreement") with this New Schedule 1C.

This New Schedule 1C will apply for the capacity increase up to 168 T1, including 84 T1 that has already ordered under the original Schedule 1C.

Switch Location

Interconnect Gateway Exchange

The parties will negotiate in good faith and agree on which Interconnect Gateway Exchanges the Interconnect Links will be provisioned for from time to time.

Provisioning Date

A maximum provision of capacity of 84 T1s will be provided on a date which is no less than 7 months from the Effective Date of this New Schedule 1C.

Prior to the Provisioning Date specified above, has already ordered 84 T1 in accordance with the original Schedule 1C.

Minimum Service Period

- * 36 months from the Installation Date in respect of the first capacity provisioned under this New Schedule 1C after the signing of this schedule.

Minimum Required Capacity

- * The minimum capacity which must be ordered by _____ in respect of Interconnect Equipment and capacity on _____ Network is 112 T1 (including the 84 T1 that _____ has already ordered in accordance with the original Schedule 1C).

Growth Conditions

1. Additional capacity may be ordered under the POI Agreement in accordance with this New Schedule 1C, up to a maximum of 168 T1 (including 84 T1 that _____ has already ordered in accordance with the original Schedule 1C), in minimum blocks of 4 T1 respectively.
2. _____ must give _____ three months advance written notice of any required increase in capacity, setting out the requested Provisioning Date in respect of that capacity. _____ will provision the required capacity subject to the availability of the relevant capacity within its network and _____ must pay _____ in respect of that capacity in accordance with the POI Agreement.

Part II: Charges

Increase in Charges

All charges listed under Part II are subject to the provisions on increase in charges stated in the POI Agreement. For the purpose of clarification, the Interconnect Equipment one off installation charge and the Redeployment Charges are also subject to this adjustment.

Interconnect Equipment Charges

One Off Charges

1. Interconnect Equipment one off installation charge which includes charges for relevant labour, equipment and other costs and charges reasonably incurred by _____ in relation to the planning, provisioning, installing and testing the required capacity and equipment):

HK\$ 120,518 per 84 T1 increment.

Recurrent Charges

2. Interconnect Equipment Rental: HK\$ 65,737 per month (up to 168 T1).

Network Charges

One Off Charges

1. T1 one off installation charge which includes charges for relevant labour, equipment and other costs and charges reasonably incurred by _____ in relation to the planning, provisioning, installing and testing the required capacity and equipment): HK\$ 768 per T1.

Recurrent Charges

2. T1 Rental: HK\$ 1,447 per T1 per month.

Part III: Provision of " facility link" for interconnection between
and _____

For the purpose of completing the Interconnect Link, a " facility link" (as defined in New Schedule 1D) is required between the Switch Location and the relevant buildings in which the Interconnect Gateway Exchange stipulated in Part I are located. The parties agree that the above terms and conditions set out in this New Schedule 1C are applicable to the " facility link", save and except for the Provisioning Date in Part I.

NEW SCHEDULE 1D OF POI ESTABLISHMENT AGREEMENT

INTERCONNECT LINK (IN T1)

Part I: General

and agree on 1st August 1997 (the "Effective Date") to replace the original Schedule 1D of the POI Establishment Agreement dated 29th June 1995 (the "POI Agreement") with this New Schedule 1D so that may order additional Interconnect Links.

Interconnect Link between the Switch Location and the agreed Interconnect Gateway Exchanges will be provisioned by solely for the purpose of enabling interconnection between the networks of and of

Each Interconnect Link provisioned will consist of two separate sections of transmission capacities as follows:

- facility link - the section from the Switch Location to the agreed buildings in which Interconnect Gateway Exchanges are located.

The facility link is to be separately ordered under Part III of New Schedule 1C of the POI Agreement, and will be subject to the charges and other relevant terms such as growth conditions specified there.

- Inter-ICG link - the section from the agreed buildings in which Interconnect Gateway are located to the agreed buildings in which Interconnect Gateway Exchanges are located.

The Inter-ICG link is to be provisioned under this New Schedule 1D at each of the relevant Interconnect Gateway Exchanges in equal quantities, unless otherwise agreed by the parties.

Switch Location

Interconnect Gateway Exchange

Interconnect Gateway Exchange

Provisioning Date

A maximum provision of capacity of 56 T1s will be provided on a date which is no less than 7 months from the Effective Date of this New Schedule 1D.

Prior to the Provisioning Date specified above, _____ has already ordered 56 T1 in accordance with the original Schedule 1D.

Minimum Service Period

- * 36 months from the Installation Date in respect of the first capacity provisioned under this New Schedule 1D after the signing of this schedule.

Minimum Required Capacity

- * The minimum capacity which must be ordered by _____ in respect of the Inter-ICG link and _____ facility link on Network is 10 T1 respectively.

Growth Conditions

1. Additional capacity in respect of the Inter-ICG link may be ordered in accordance with this Schedule, up to a maximum of 56 T1 in minimum blocks of 4 T1.
2. _____ must give _____ three months advance written notice of any required increase in capacity, setting out the requested Provisioning Date in respect of that capacity. _____ will provision the required capacity subject to the availability of the relevant capacity within its network and _____ must pay _____ in respect of that capacity in accordance with this Agreement.

Part II: Charges

The following charges are applicable in respect to the Inter-ICG link only. Charges applicable to the _____ facility link are set out in the New Schedule 1C.

Interconnect Equipment Charges

One Off Charges

1. Installation charge for Interconnect Equipment which includes charges for relevant labour, equipment and other costs and charges reasonably incurred by _____ in relation to the planning, provisioning, installing and testing the required capacity and equipment):

HK\$ 98,606 for up to 56 T1.

Recurrent Charges

2. **Interconnect Equipment Rental:** HK\$ 26,295 per month for up to 56 T1.

Network Charges**One Off Charges**

1. T1 installation charge which includes charges for relevant labour, equipment and other costs and charges reasonably incurred by in relation to the planning, provisioning, installing and testing the required capacity and equipment): HK\$ 768 per T1.

Recurrent Charges

2. T1 Rental: HK\$ 1,447 per T1 per month.

Part III: Additional Inter-ICG Link above the first block of 56 T1

may order additional capacity of Inter-ICG Link in excess of the first block of 56 T1 specified in Part I of this New Schedule 1D. Such additional capacity will be subject to the terms of the POI Agreement and the following conditions.

1. For each additional block of up to 56 T1 ordered under this New Schedule 1D, must give no less than 7 months of advance written notice to prior to the first Provisioning Date of capacity within that additional block. However, ordering of capacity within each additional block of 56 T1 will be governed by the Growth Conditions set out in Part I of this New Schedule 1D.
2. The Interconnect Equipment Charges set out in Part II of this New Schedule 1D will apply to each additional block of 56 T1, and are payable whether all capacity within that additional block is actually ordered by However, the Network Charges set out in Part II of this New Schedule 1D are payable by in respect of capacity actually ordered by and provisioned by