

SCHEDULE 1G OF POI ESTABLISHMENT AGREEMENT

AND INTERCONNECT LINK (IN E1)

Part I: General

1.

agree that with effect from 11 September 2000 ("the Effective Date"), the POI Establishment Agreement dated 31 July 1995 ("POI Agreement") and signed by the parties shall be supplemented as set out in this Schedule 1G.

2. All terms and references used in the POI Agreement which are defined or construed in the POI Agreement but are not defined or construed in this Schedule shall have the same meaning and construction in this Schedule as in the POI Agreement. Any terms and references used in this Schedule which are defined in this Schedule and which are also defined under the POI Agreement shall, if capable, be construed in accordance with the definition under this Schedule for the purposes of this Schedule only but shall otherwise be construed in accordance with the definition in the POI Agreement.
3. Except as provided under this Part I, General, paragraph 2, in the event of conflict between the terms of the POI Agreement and the terms of this Schedule 1G, the terms of the former shall prevail.

FTNS Operator Switch Location

Interconnect Gateway Exchange

For the purposes of this Schedule 1G, the Interconnect Gateway Exchange as defined in the POI Agreement includes:

- (a) Main Exchanges:

(b) Tandem Exchanges:

Interconnect Links are to be provisioned at each of these Interconnect Gateway Exchanges in reasonably distributed quantities, unless otherwise agreed by the parties.

Minimum Service Period

- 36 months commencing from the Installation Date

Minimum Required Capacity

Minimum Required Capacity means the minimum capacity of Interconnect Link of and to be ordered by FTNS Operator in accordance with the POI Agreement and this Schedule as follows:

Interconnect Link	On or before 31 Dec 2000	On or before 31 Dec 2001 (excluding those installed in Year 2000)
E1	62	186

Growth Conditions

1. Additional capacity may be ordered in accordance with the POI Agreement and this Schedule 1G in minimum blocks of 4 E1 up to the maximum of 252 E1 (representing the total quantity of and Interconnect Link).
2. If FTNS Operator orders additional E1 in excess of the maximum of 252 E1, the procedures set out in clause 5 of the POI Agreement will apply to ordering such additional capacity under this Schedule 1G. FTNS Operator must give nine months advance written notice of any required increase in capacity, specifying the requested Provisioning Date (which means the date or dates on which the Interconnect Link in respect of each POI is intended to be made available to the FTNS Operator) in respect of that capacity. will provision the required capacity subject to the availability of the relevant capacity within its network and FTNS Operator must pay in respect of that capacity in accordance with the POI Agreement. The amount of the Interconnect Equipment Charges and Network Charges payable for additional capacity exceeding the maximum of 252 E1 shall be separately agreed by the parties.
3. Interconnect Equipment Charges and Network Charges in relation to the capacity in excess of 252 E1 shall become due and payable in accordance with the POI Agreement.

Part II: Charges

Interconnect Equipment Charges

Interconnect Equipment Charges mean charges in relation to the installation by and the rental by FTNS Operator from _____ of the Interconnect Equipment and are incorporated in the amounts of _____ Network Charges as set out below.

Network Charges

Network Charges mean the charges in relation to the installation by and the rental by FTNS Operator from _____ of the capacity of _____ Network.

One off charges

1. **Installation Charge** for each _____ Interconnect Link that 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\$1,696 per POI E1 link

Recurrent charges

2. **Monthly rental** for each _____ Interconnect Link:

HK\$4,122 per POI E1 link

Part III: Payment Reduction

Payment Reduction means the reduction in the payments to be made to _____ by FTNS Operator and is to be calculated by _____ as follows:

1. In respect of the one off charges, the sum of:
(One off charges specified within _____ Network Charges) x
(_____ Agreed Allocation for Network)
2. In respect of the recurrent charges, for each month the sum of:
(Recurrent charges specified within _____ Network Charges) x
(_____ Agreed Allocation for Network)

Agreed Allocation means the agreed capacity allocation to _____ as set out below:

