

Letter of Intent

PARTIES

(1)

AND:

(2)

WHEREAS:-

- A. desires to indirect interconnect with the network for the purpose of providing its telephony services to its customers and agrees to facilitate such request.
- B. Both Parties agree to directly interconnect the networks of both Parties. The initial interconnection point will be at or any other point in Hong Kong Special Administrative Region as shall be mutually agreed by both Parties. shall provide assistance to facilitate the setup of this agreed interconnection point as shall be reasonably required.
- C. Both Parties acknowledge that the negotiation of a commercial agreement will take a prolonged time, therefore, both Parties agree to indirectly interconnect their networks in accordance with the terms and conditions set out in this Letter of Intent ("LOI") as an interim arrangement subject to any future commercial agreements or determinations that may be entered into by the Parties or made by OFTA.

On the premises, the Parties agree the following:

1. Both Parties acknowledge that the successful indirect interconnection of the two networks is conditional upon the consent of the operator for the transit network and the feasibility of technology and is not within the control of undertakes to use its

best endeavour to mediate and negotiate with _____ for the purpose to obtain the said consent from _____ at its own costs. _____ may vary the said transit network from time to time. Both Parties acknowledge that the indirect interconnection arrangement is an interim measure only for an estimated period of 3 months. Both Parties will discuss in good faith for any longer period of 3 months for indirect interconnection pending the readiness of the direct interconnection arrangement. Both Parties will proceed to have the direct interconnection arrangement be ready by the target date of 30 June 2002 or any such other date as shall be agreed by both Parties.

2. For all traffic to and from the networks of both Parties, each Party must comply with the Code of Conduct for Handling CLI Information issued and as amended by OFTA from time to time.
3. Each Party must conform with the OFTA's Numbering Plan issued and as amended by OFTA from time to time.
4. Both Parties agree to be abided by the charging principles set down in the Statement No. 7 (Revised) issued by OFTA on 18 November 1997 for the payment of PSTN calls and in the Statement on Implementation of Local Access Charge and Modified Delivery Fee Arrangements issued by OFTA on 30 December 1998 for the payment of ETS calls. The call types and corresponding charging principles are limited to those listed in Appendix 1 herein which may only be revised in writing with the consent of both Parties. As at the date of this LOI, the respectively charges are as follows:

<u>PSTN Calls</u>	HKD
OAC / TAC	
Per call attempt	3.3 cents
Per call occupancy minute	2.2 cents
Transit Charge	
Per call attempt	0.8 cents
Per call occupancy minute	1.9 cents
<u>ETS Calls</u>	HKD
LAC(t)	
Per call occupancy minute	10.6 cents

The charges shall apply to both Parties on a reciprocal basis.

5. will handle the additional traffic with only the existing POI resources between and the transiting operator. further acknowledges that it will stick to its forecast in traffic conveyance. If the traffic exceeds forecast, both Parties will discuss the solution where may prioritize the routing of any of its transit traffic.

6. will prepare a Local Interconnect Agreement (“the Agreement”) to govern the direct interconnection arrangement between both Parties for the approval of

7. The whole of the letter agreement dated 21 June 2002 titled “*Passing of traffics for the services of and access numbers*” entered into between the Parties hereof shall be incorporated into and form an integral part of this Letter of Intent.

8. This LOI is binding upon both Parties.

9. Both Parties intends to include this LOI under the Confidentiality and Non-Disclosure Agreement entered into between the Parties on 30 January 2002.

10. This LOI shall be terminated on the date the Agreement shall be entered into by both Parties or by either Party upon 3 months notice in writing whichever is earlier.

Dated the 16 day of AUG 2002.

For and on behalf of

For and on behalf of

Appendix 1

Call Types	Number Prefix	Call Description	Charging Principle
1	00x	Indirect Access to International Gateway	OAC / LAC(t) (Remark 2)
2	10x / 12x	Customer Enquiry	TAC
3	15xx / 16xx	External Telecommunication Services	OAC / LAC(t) (Remark 2)
4	18x	Volatile Traffic	TAC
5	20x	Calling Card	OAC / LAC(t) (Remark 2)
6	2x / 3x (non 30x)	Fixed Network Numbers	TAC
7	300x / 301x / 302x	PNETS	OAC / LAC(t) (Remark 2)
8	306x / 307x	PNETS (for IDD type of service)	OAC / LAC(t) (Remark 2)
9	4x (18x)	Network Number for Volatile Traffic	TAC
10	4x (2x / 3x (non 30x))	Network Number for Fixed Network Numbers	TAC
11	4x (300x / 301x / 302x)	Network Number for PNETS	OAC / LAC(t) (Remark 2)
12	4x (306x / 307x)	Network Number for PNETS (for IDD type of service)	OAC / LAC(t) (Remark 2)
13	4x (800x)	Network Number for Freephone Services	OAC
14	4x (8x (non 800x))	Network Number for Personal Number	TAC
15	4x (900x)	Network Number for Information Services	OAC (Remark 3)
16	7x (MP)	Manual Paging (Remark 1)	TAC
17	7x (AP)	Auto Paging (Remark 1)	OAC
18	800x	Freephone Services	OAC
19	8x (non 800x)	Personal Number	TAC
20	900x	Information Services	OAC (Remark 3)
21	99x	Emergency Number	TAC
22	14x	Network Identifier	Refer to 4x Network Number

Notes:

OAC: Originating Access Charge

TAC: Terminating Access Charge

LAC(t): Local Access Charge (Transit)

Remarks:

1. The exact Number Prefix are to be referred to the TA's Numbering Plan.
2. LAC(t) to be applied for 00x, 20x, 300x IDD-like services. 15xx or 16xx ETS calls for the relevant traffic over Category A routes, or over Category B routes not delivered through the external gateway operated under the _____ held by _____

For the relevant traffic over Category B routes delivered through the external gateway operated under the _____ by _____,

OAC will be applied. For Non-IDD services, OAC will also be applied.

3. Excluding Information Service Usage Charge payable by the Call Originating Party to the Information Service Provider Connected Party. Conveyance of chargeable Information Services calls subject to separate commercial agreement between both Parties.