

**FIRST AMENDMENT AGREEMENT TO
LOCAL INTERCONNECTION AGREEMENT**

This First Amendment Agreement (“Agreement”) is made on 18 March 2008.

BETWEEN

AND

Each a “Party” and collectively the “Parties”.

RECITALS

- A. The Parties entered into the Local Interconnection Agreement on 2 May 2003 (“LIA”).
- B. Under this Agreement, the Parties agree to update the terms of the LIA so as to specify the charges to be paid for call types not previously included in the LIA and amend the charges paid for certain existing call types and change the notice period for termination of the LIA.
- C. The terms of this Agreement shall be effective from 1st April 2008 (“Effective Date”).

1. INTERPRETATION

- 1.1 The revisions made to the LIA in this Agreement are an integral part of the LIA.
- 1.2 A term which is defined in the LIA and used in this Agreement but not defined herein has the same meaning as it does in the LIA unless the context requires otherwise.

2. DEFINITIONS

- 2.1 The following definitions shall be introduced/ amended:

“Category A Call” means an International Call in respect of which a Delivery Fee does not apply.

“Category B Call” means an International Call in respect of which a Delivery Fee applies.

“CLI Code of Conduct” means the Code of Conduct for handling CLI Information and the Code of Practice in relation to CLI and other CLI related services issued by the TA.

“Delivery Fee” means a delivery fee within the meaning of, and payable in accordance with, the TA’s Statement & Determination “Implementation of Local Access Charge & Modified Delivery Fee Arrangements” dated 30 December 1998 including any additions or supplements to, or replacements of, that Statement and Determination made before the Effective Date.

“End User Device” means the customer terminal device of an end user at which a call originates or terminates and excludes devices used by service providers in relation to the provision of telecommunications services.

“External Communications” means communications which the relevant Fixed Telecommunications Network Services (“FTNS”) or External Telecommunications Service (“ETS”) Operator and the Party agree shall be conveyed across their respective Networks between a place within Hong Kong and a place outside of Hong Kong, comprising:

- (i) voice, or data on the voice band, and/ or ancillary signaling;
- (ii) CLI; and
- (iii) such other communications as may be agreed by the relevant FTNS or ETS Operator and the Party in writing,

all of which must be lawfully permitted under the respective Licences of the relevant FTNS or ETS Operator and the Party.

For the avoidance of doubt, “External Communications” include communications conveyed by an Operator in the provision of an external telecommunication service which, by virtue of its characteristics such as functions, technical interface for the customer terminal usable to access the service and tariff structure, is a close substitute for the International Direct Dialing (IDD) Services which includes, but is not limited to, the following external services:

- (i) *all services currently provided by an FTNS Operator accessible by dialing the codes with the prefix "00";*
- (ii) *telephone calling card services;*
- (iii) *callback services;*
- (iv) *virtual private network services;*
- (v) *services known as "International simple resale services for facsimile and data";*
- (vi) *services known as "International simple resale for voice"; and*
- (vii) *telephony services carried over data communication networks such as Internet (e.g. Voice over Internet Protocol) and frame relay network.*

"General Conditions" means the General Conditions of Service published by the Party, as amended from time to time. Any references made to "Customer" in the General Conditions shall mean the relevant FTNS or ETS Operator specified under this service.

"Licence" means: (i) in relation to the Party or an FTNS Operator, the Fixed Telecommunication Network Services Licence issued to it under the Telecommunication Ordinance; and (ii) in relation to an ETS Operator, the Public Non-Exclusive Telecommunications Service Licence for the provision of External Telecommunications Services, or for the provision of International Value-Added Network Services, issued to it under the Telecommunication Ordinance, each as amended from time to time.

"Occupancy Minute" means the duration in relation to a Communication between the time of seizure of a circuit in the exchange within the Party's Network which is connected to the relevant FTNS or ETS Operator's or relevant Third Party Operator's Network (as applicable) until that circuit is released at the relevant exchange.

"Operator" means, as applicable, the Party, the relevant FTNS Operator, the relevant ETS Operator, and includes a Third Party Operator.

"Operator Identifier Number" means the information identifying the Operator from whose Network a Communication is generated, or is transmitted to, by the Party.

"Public Switched Telephone Network" or "PSTN" means a circuit-switched network licensed under the Fixed Telecommunications Network

Service licence for telephonic and non-telephonic communications using analogue interfaces between the network and the users capable of transmitting voice-grade signals.

“Services Based Operator” or “SBO” means an operator holding an SBO Licence issued by the TA under the Telecommunications Ordinance.

“SBO Licence” means a Services Based Operator licence issued by the TA under the Telecommunications Ordinance to provide Class 1 and/ or Class 2 Voice over Internet Protocol services.

3. SCOPE OF AGREEMENT

- 3.1 As Clauses 27.1 to 27.4 and 27.5(c) of the LIA are inconsistent with the Parties’ desire to refrain from relying on any decision made by the TA, the Office of the Telecommunications Authority or any other Government entity under the Telecommunications Ordinance, relevant licences, other law or policy, they shall be deleted.

4. CHARGES

- 4.1 The Parties agree to apply the following Local Call charges on and from the Effective Date:

Call Type	Charge
Terminating Charge: - Calls from Fixed Network Numbers to Fixed Network Numbers, including leading digits “2”, “3” (1-9), “8” (1-9) for Personal Numbering Services and their associated Network Numbers	9.5 cents per Occupancy Minute

Call Type	Charge
- Calls from Fixed Network Numbers to Directory Enquiry Services (108), Customer Enquiry & Hotline Services (10x & 12x), Emergency Number Services (99x), Telebet/HKJC/ Volatile Services (18x), Operator Paging (7x) and their associated Network Numbers, if applicable.	2.5 cents per Call Attempt plus 1.4 cents per Occupancy Minute
Transit Delivery Charge	0.4 cents per Call Attempt plus 0.8 cents per Occupancy Minute
Originating Charge for Calls to Information Services (900x), Auto Paging Services (7x), Freephone Services (800x) and Value-Added Services ("VAS") (30x) via a PSTN line and their associated Network Numbers, if applicable.	2.5 cents per Call Attempt plus 1.4 cents per Occupancy Minute for a volume of traffic to be agreed between the Parties from time to time. For traffic minutes exceeding this agreed volume, an Originating Charge of 9.5 cents per Occupancy Minute shall be payable

4.2 The Parties agree to apply the following External Call charges on and from the Effective Date irrespective of whether the Calls are delivered over Category A routes or Category B routes and whether or not the Calls are delivered through the External Gateway.

Call Type	Charge
External Calls:	
- Local Access Charge (Transit)	9.5 cents per Occupancy Minute
- External Transit Charge	3.6 cents per Occupancy Minute
- External Triple Transit Charge	1.8 cents per Occupancy Minute

Services Based Operators

4.3 The terms, conditions and charges set out in this Agreement for the provision of Services in relation to ETS operators also apply to SBO calls.

5. TERMINATION OF CONTRACT

Clause 23.7 of the LIA shall be amended such that each Party may terminate the LIA without cause by giving the other Party at least 12 months notice in writing that the LIA is to be terminated. No such notice shall be permitted to be given until at least 48 months from the Effective Date.

6. GENERAL

- 6.1 Unless otherwise expressly stated in this Agreement, the terms and conditions of the LIA will continue in force and effect between
and
- 6.2 In the case of inconsistency between the terms of this Agreement and the LIA, the terms of this Agreement shall prevail to the extent of such inconsistency only.
- 6.3 Except under Clause 23 of the LIA,
shall not terminate the LIA and this Agreement.
- 6.4 If any provision of this Agreement is in breach of any applicable law, the Parties must negotiate in good faith such amendments to this Agreement that are necessary or appropriate to ensure consistency between this Agreement and the applicable law.
- 6.5 The provisions of this Agreement which do not breach any applicable law shall remain in full force and effect during any negotiations under Clause 5.4 of this Agreement until the commencement of an agreement replacing or amending this Agreement.
- 6.6 The Agreement is governed by the laws of the Hong Kong Special Administrative Region ("**Hong Kong**").
- 6.7 Each Party irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of Hong Kong in respect of any matter arising out of this Agreement.

IN WITNESS THEREOF this Agreement has been duly executed by the Parties the day and year first above written.

SIGNED for and on behalf of

SIGNED for and on behalf of