

This **INTERCONNECT AGREEMENT** ("Agreement") is made on the 19th day of September, 2003.

BETWEEN:

, a company incorporated and existing under the law of Hong Kong with its principal office at ;

AND:

, a company incorporated and existing under the law of Hong Kong with its principal office at

("Requesting Operator").

and Requesting Operator will hereinafter be referred to individually as "the Party" and collectively as "the Parties".

RECITALS:

- A. operates a fixed telecommunication network in Hong Kong pursuant to a Fixed Telecommunication Network services license ("License") dated
- B. Requesting Operator has been granted a Fixed Carrier Licence on in Hong Kong.
- C. The Parties agree to interconnect the network to the Requesting Operator's network at Requesting Operator premises located at in accordance with this Agreement. This Agreement supersedes the letter agreement signed by the Parties dated 14 February 2003.

THE PARTIES AGREED AS FOLLOWS:

1. DEFINITIONS, INTERPRETATION AND STRUCTURE

- 1.1 In this Agreement, except where otherwise specified, words and expressions have the meanings set out in Schedule 1 – Definitions, and this Agreement is to be construed in accordance with that Schedule.
- 1.2 The following documents shall be read and construed as part of this Agreement.

The main body of this Agreement;

- Schedule 1 Definitions;
- Schedule 2 Physical Interconnection;
- Schedule 3 Interconnect Link Service;
- Schedule 4 Traffic Conveyance Service; and
- Schedule 5 Billing.

2. PHYSICAL INTERCONNECTION AND SERVICE

- 2.1 At Requesting Operator's request, _____ agrees to interconnect its network with Requesting Operator's network on the terms and conditions set out in this Agreement. Details of the physical interconnection are described in Schedule 2.
- 2.2 _____ will install and supply the Interconnect Link necessary for the interconnection. Requesting Operator agrees to pay _____ the Interconnect Link charge as set out in Schedule 3.
- 2.3 The initial capacity on the Interconnect Link to be provided by _____ under this Agreement is one T1. The Parties acknowledge that the Interconnect Link has been commissioned by _____ and accepted by Requesting Operator on 15 February 2003. Requesting Operator may order additional capacity from time to time upon and subject to the terms and conditions of this Agreement provided that it gives sufficient prior written notice to _____.
- 2.4 Both Parties agree to provide traffic conveyance service to the other Party through the Interconnect Link and in accordance with this Agreement. The agreed numbering plan and the charging principles are set out in Schedule 4.
- 2.5 The Parties may from time to time agree additional telecommunications service to be provided under this Agreement the details thereof shall be set out in the Schedule which shall be attached to this Agreement.

3. COMMENCEMENT, DURATION AND REVIEW

- 3.1 This Agreement shall commence on the Effective Date and, without prejudice to clause 13, shall continue in force until the earlier of:
 - (a) the expiry or termination of the _____ License where _____ is not simultaneously granted another license of that type;
 - (b) the expiry or termination of the Requesting Operator's License where the Requesting Operator is not simultaneously granted another license of that type; or
 - (c) the termination of this Agreement by a Party in accordance with clause 12 hereof without prejudice to either Party's other right at law.

- 3.2 Either party shall request to review the schedules from time to time and any changes shall only be effective if the same has been reduced in writing and signed by the authorized signatory of both parties.

4. CHARGES

- 4.1 A Party shall pay to the other Party all charges for the Service consumed by it under this Agreement in accordance with Clause 5.
- 4.2 Both Parties agree to abide to the charging principles set out in the TA Statement No. 7 (Revised) dated 18 March 2002 for the payment of PSTN calls and the TA Statement on Implementation of Local Access Charge and Modified Delivery Fee Arrangements dated 30 December 1998 for the payment of ETS calls.

5. PAYMENT

- 5.1 Invoices are due and payable in the valid currency of Hong Kong.
- 5.2 All Payments must be:
- (a) paid by cheque, banker's draft, cashier's order or electronic transfer directly to the nominated account(s) of the Party to receive the Payment;
 - (b) subject to Schedule 5, paid without counterclaim and free and clear of any withholding or deduction; and
 - (c) accompanied by such information as is reasonably required by the Party receive the payment to properly allocate payments received.
- 5.3 The Parties shall comply with Schedule 5 in relation to all aspects of the billing, settlement and dispute of payment under this Agreement.

6. ONGOING INFORMATION REQUIREMENT

- 6.1 The obligations of each Party to provide information to the Party are as set out in this clause 6, or as otherwise agreed in writing between the Parties, and are subject to the requirements of confidentiality imposed by clause 15 of this Agreement.
- 6.2 Each party shall provide the other Party on a timely basis with all agreed information reasonably required to determine Charges to be billed by one Party to the other Party.

- 6.3 Each Party shall also provide to the Party the information expressly required by this Agreement and such other information provided under this Agreement as the other Party may from time to time reasonably require.
- 6.4 For the avoidance of doubt, nothing in this Agreement requires either Party to provide any information that is proprietary, confidential or commercially sensitive. If information of a confidential nature is disclosed, such information and its use and disclosure will be subject to the terms and conditions of clause 15 of this Agreement.
- 6.5 A Party shall, subject to clause 15, indemnify the other Party and keep it indemnified against all liabilities, claim, demands, damages, costs and expenses arising as a consequence of any failure by that Party to comply with any reasonable condition relating to the use of any information notified to the Party by the other Party at the time of disclosure.
- 6.6 Nothing in this Agreement shall be oblige either Party to do anything which would cause it to be in breach of any statutory, regulatory or contractual obligation of confidentiality of information issued by the Authority or pursuant to their respective Licenses.

7. NETWORK PROTECTION AND SAFETY

- 7.1 Each Party is responsible for the safe operation of its side of the network, and shall, so far as is reasonably practicable, take all necessary steps to ensure its side of the network operations and implementation of this Agreement:
- (a) do not endanger the safety or health of any person, including the employees and contractors of the other Party; and
 - (b) do not cause physical or technical harm to the other Party's network, including but not limited to causing damage, interfering with or causing deterioration in the operation of the first mentioned Party's network.
- 7.2 The Parties will manage their networks to minimize disruption to services and, in the event of interruption or failure of any services, will restore those services as soon as is reasonably practicable. Each Party shall manage, notify and correct fault arising in its network which affect the provision of any services by the other Party:
- (a) as it would in the ordinary course for similar faults affecting the provision of services by it; and
 - (b) in accordance with the fault notification procedures specified in this Agreement.

7.3 Neither Party shall use or permit the use of any service, or install, connect, link or use (or permit the installation, connection, linking or use of) any telecommunications equipment in contravention of any law. If either Party considers that the Party is acting, or is likely to, act in contravention of this clause, then the first-mentioned Party may seek the Authority's approval to take necessary corrective action, unless an imminent threat to life or property arises (or is likely to arise) in which case the first-mentioned Party may take immediate necessary corrective action.

7.4 Each Party shall ensure that its network and operating procedures comply in all material respects with this Agreement and the relevant rules, regulations, codes of practice and guidelines issued by OFTA.

8. APPROVED ATTACHMENTS AND CUSTOMER EQUIPMENT

Neither Party shall connect or knowingly permit the connection to its network of anything that is not approved by OFTA for attachment to its network.

9. QUALITY OF SERVICE

Each Party shall:

- (a) ensure that the services it provides to the party are of the quality comparable to what it provides to itself and its affiliates; and
- (b) maintain and repair faults on Interconnect Links in the same manner as it maintains similar plant and repair faults within its network.

10. SUSPENSION

10.1 Either Party (**Suspending Party**) may suspend this Agreement by providing prior written notice to the other Party as soon as practicable if:

- (a) the other Party's network adversely affects the normal operation of the Suspending Party's network, or is a threat to any person's safety; or
- (b) the other Party's network or the supply of a service to the other Party under this Agreement may pose an imminent threat to life or the property of Suspending Party; or
- (c) the other Party's network causes or is likely to cause physical or technical harm to any telecommunications network, system or services (whether of the Suspending Party or any other person) including but not limited to causing damage, interfering with or causing deterioration in the operation of the Suspending Party's network; or

- (d) the other Party is in material breach of this Agreement (including, but not limited to failure to pay any sum, whether in respect of any one or more services, for which the other Party has been invoiced or billed or requested to make any payment in respect thereof), the Suspending Party has given seven (7) Business Days written notice of such breach (which period may operate concurrently with the period in clause 2.6 of Schedule 5) and the other Party has failed to rectify such breach within that time; or
- (e) if, in the Suspending Party's reasonable opinion, the Party attempted to use, is likely to use, or has used any service supplied under this Agreement (whether with or without the authorization and/or permission of the Suspending Party) in contravention of law and the Suspending Party has necessary confirmation from the relevant Governmental Agencies that the other Party is in contravention of law; or
- (f) compliance with legal or regulatory obligations requires immediate action; or
- (g) continued operation of this Agreement would be unlawful or would pose an imminent threat to life or property; or
- (h) any material information provided or representation made by either Party to the other Party is untrue, false, misleading or inaccurate and has an adverse material impact on the other Party in relation to its provision of services under this Agreement.

10.2 Where any service has been suspended under Clause 10.1 (d) (whether or not at the request of the Party acquiring the service), the acquiring Party shall continue to pay those Charges in respect of that service for the period during which the service has been suspended and in the event the service is reconnected or reinstated, the acquiring Party shall pay all reconnection or reinstatement Charges.

10.3 If this Agreement is suspended under clause 10 for more than sixty (60) Calendar Days, the Suspending Party may, subject to clause 11.2, terminate this Agreement with immediate effect by giving the other Party written notice.

11. TERMINATION

11.1 Subject to clause 11.2, either Party (**Terminating Party**) may terminate the entire Agreement by providing notice to the other Party if:

- (a) The necessary license of either Party has been terminated or suspended for a reasonably long period;

- (b) the other Party is in material breach of this Agreement (including, but not limited to failure to pay any sum, whether in respect of any one or service, for which the other Party has been invoiced or billed or requested to make payment in respect thereof), the Terminating Party has given seven (7) Calendar Days notice of such breach and the other Party has failed to rectify such breach within that time; or
- (c) the other Party becomes insolvent, or has ceased or threatens to cease business, or a petition for winding up or bankruptcy has been filed, a resolution for voluntary winding up has been passed, a receiver and manager or judicial manager has been appointed over the whole or substantial part of its assets or property, or the other Party ceases to carry on business, or any action is taken by any creditor of the other Party to recover, realize or enforce any security over any assets of the other Party or to enforce any judgment against the other Party; or
- (d) continue operation of this Agreement would be unlawful or would pose an imminent threat to life or property; or
- (e) if, in the Terminating Party's reasonable opinion, the other Party attempted to use, is likely to use, or has used any service (whether with or without the authorization and/or permission of the Terminating Party) in contravention of any law and the Terminating Party has the necessary confirmation from the relevant Governmental Agencies that the other Party is in contravention of law; or
- (f) any material information provided or representation made by either Party to the other Party is untrue, misleading or inaccurate and has adverse material impact on the other Party in relation to its provision of services under this Agreement.

11.2 In the event that this Agreement is terminated:

- (a) all sums due or accrued or payable to each Party under this Agreement or with respect to that Schedule (respectively) up to the date of termination and all sums due or payable to each Party shall upon termination become immediately due and payable to that Party (including any termination Charges due under the applicable Schedules);
- (b) each Party shall immediately return to the other Party at its own expense all equipment, facilities, plant and other property of the other Party used under this Agreement or in relation to that terminated Schedule in good working condition, fair wear and tear only expected; and

- (c) each Party shall immediately remove all of that Party's equipment, facilities, plant and other property located on the other Party's premises used under this Agreement or in relation to that terminated Schedule.
- 11.3 A Party shall be entitled to charge to other Party the cost incurred in acquiring a replacement of any equipment, facilities, plant and other property which the other Party has failed to return under clause 11.2 within 30 Calendar Days of the date of termination and/or acquiring a replacement of any equipment which is returned in a damaged or defective condition.
- 11.4 A Party may remove the other Party's equipment, facilities, plant and other property located on its premises if not removed by the other Party within 30 Calendar Days after the date of termination.
- 11.5 If either Party's License is or to be revoked by Authority, this Agreement will automatically and immediately terminate on and from the date of revocation notified by the Authority.
- 11.6 On termination of this Agreement, all services, leases, licenses and other rights conferred on or Requesting Operator under this Agreement or Schedule (as the case may be) shall immediately terminate.
- 11.7 On termination of this Agreement, each Party must, at its own expense, deliver to the other Party, or after notices from that other Party, destroy or erase all documents or other forms of storage which comprise or contain the other Party's Confidential Information or from which the other Party's Confidential Information can be reproduced.
- 11.8 Termination or expiry of this Agreement, Schedule, service or license shall not be deemed a waiver of a breach of any term or condition of this Agreement, Schedule, service or license and shall be without prejudice to a Party's rights, liabilities or obligations that have accrued prior to such termination or expiry.
- 11.9 Notwithstanding the termination or expiry of this Agreement, clauses 5, 14, 15, 16, 18 and 20 inclusive shall continue in full force and effect.
- 11.10 A Party's right to terminate or suspend performance of this Agreement pursuant to clauses 10 or 11 is without prejudice to any other rights or remedies available to that Party.

12. FORCE MAJEURE

Neither Party shall be liable for any breach of this Agreement (other than a breach by non-payment) caused by an act of God, insurrection or civil disorder, war or military operations, national emergency, acts or omissions of government, fire, flood, lightning, explosion, subsidence, industrial dispute of any kind (whether or

not involving that Party's employees), acts or omissions of persons or bodies for whom that Party affected thereby is not responsible or other cause whether similar or dissimilar outside the reasonable control of Party.

13. LIMITATION OF LIABILITY

- 13.1 Unless otherwise provided under this Agreement and subject to clause 13.4, this clause 13 shall regulate the liability (whether arising in contract, in tort, under statute or in any other way and whether due to negligence, willful or deliberate breach, breach of statutory duty or any other cause) of a Party to the other Party under or in relation to this Agreement and in relation to any act, omission or event relating to or arising out of this Agreement.
- 13.2 In performing its obligations under this Agreement, each party shall exercise the reasonable skill and care of a competent telecommunications operator and to comply with its obligations under clause 9.
- 13.3 Neither Party shall be liable to the other Party (whether in contract, in tort, under statute or otherwise for any cause other than for willful or deliberate breach, acts or omissions) for:
- (a) any loss (whether direct or indirect) or profits, revenue, business, anticipated savings, wasted expenditure, or goodwill; or
 - (b) any other consequential or indirect liability, loss or damage, suffered by the other Party and arising from or in connection with this Agreement.
- 13.4 Neither Party excludes or restricts its liability for death or personal injury caused by its own negligence.

14. INTELLECTUAL PROPERTY RIGHTS

- 14.1 Except as otherwise expressly provided in this Agreement, all trademarks, inventions, patents, copyrights, designs, design rights, trading names, (whether or not registered) and all other intellectual property rights (**intellectual property**) shall remain in the ownership of the person creating or owing the same and nothing in this Agreement shall confer or be deemed to confer on either Party any rights or licenses in the intellectual property of the Party or of Third Party.
- 14.2 Without prejudice to clause 14.1, neither Party shall be entitled to use any trademarks or service marks (whether registered or not) of the other Party in any document or other medium, without the prior written consent of the other Party.
- 14.3 The Parties will negotiate arrangements (including in respect of title) concerning intellectual property jointly developed in the course of the performing this Agreement or otherwise in connection with this Agreement.

- 14.4 Each Party (referred to this clause as the **Indemnifying Party**) agrees, subject to clause 13, to indemnify, and keep indemnified the other Party against all liability or loss arising directly or indirectly from, and all reasonable costs, charges and expenses incurred in connection with any claim, action, suit or demand alleging infringement by the other Party of the rights of a Third Party arising from use by the other Party of intellectual property disclosed or licensed by the Indemnifying Party under this Agreement. This Indemnification shall represent the only remedy and form of compensation available to the other Party in relation to intellectual property licensed or disclosed by the Indemnifying Party under this Agreement.

15. CONFIDENTIALITY

- 15.1 Except as otherwise provided in this Agreement, a Party that receives Confidential Information (the **Receiving Party**) shall keep confidential all Confidential Information of the other Party (the **Disclosing Party**) which:

- (a) is disclosed, communicated or delivered to the Receiving Party's pursuant to this Agreement; or
- (b) comes to the Receiving Party's knowledge or into the Receiving Party's possession in connection with this Agreement,

whether such Confidential Information is received before during or after the date of this Agreement.

- 15.2 The Receiving Party shall not use or copy the Confidential Information of the Disclosing Party except in connection with and for the purposes of this Agreement or such other purposes related to the provision of services under this Agreement.

- 15.3 Except as otherwise provided in this Agreement, the Receiving Party shall not disclose or communicate, cause to be disclosed or communicated or otherwise make available Confidential Information to any Third Party other than:

- (a) the Receiving Party's directors, officers, employees, agents, contractors or representatives to whom disclosure is necessary in connection with and for the purposes of this Agreement or for such other purposes related to the provision of services under this Agreement.
- (b) the Receiving Party's professional adviser only to the extent necessary for that adviser to provide advice or protect the rights of the Receiving Party under this Agreement; and

- (c) the Receiving Party's appointed financial adviser or appointed banker only to the extent necessary for the financial services to the Receiving Party (each an "Authorised Person", and collectively, the "Authorised Person")
- 15.4 The Receiving Party hereby agrees to advise the Authorised Person(s) that they are obligated to protect the Disclosing Party's Confidential Information in a manner consistent with this Agreement.
- 15.5 The Receiving Party's obligations hereunder shall not apply to confidential Information if the same is:
 - (a) in or enters the public domain, other than by breach by the Receiving Party or any of its Authorised Persons of this Agreement; or
 - (b) known to the Receiving Party on a non-confidential basis prior to disclosure under this Agreement, at the time of first receipt, or thereafter becomes known to Receiving Party or any of its Authorised Persons without similar restrictions from a source other than Disclosing Party, as evidenced by written records; or
 - (c) is or has been developed independently by the Receiving Party without reference or reliance on the Disclosing Party's Confidential Information.
- 15.6 A Receiving Party shall exercise no lesser security or degree of care than that Party applies to its own Confidential Information of an equivalent nature, but in any event not less than the degree of care which a reasonable person with knowledge of the confidential nature of the information would exercise.
- 15.7 Confidential Information provided by one Party to the other Party is provided for the benefit of that Party only and shall be used solely for the purposes for which it is disclosed.
- 15.8 Parties acknowledge that the provisions of this clause 15 shall continue in full force and effect regardless of variations, assignments or termination of other provisions of this Agreement. The obligation to maintain confidentiality of the Confidential Information provided hereof and the undertakings and obligations in this clause 15 shall continue for two (2) years upon the expiry or termination of this Agreement.
- 15.9 This Agreement contains the entire understanding between the Parties with respect to the safeguarding of the Confidential Information and supersedes all prior communications and understandings with respect thereto.

16. ASSIGNMENT

- 16.1 This Agreement shall be binding upon and endure to the benefit of each of the Parties and its successors and permitted assigns.
- 16.2 Subject to clause 16.3 either Party may assign or transfer any or all of its rights under this Agreement without the prior written consent of the other Party provided that such assignee has an FTNS License or a Fixed Carrier License (as the case may be) and provided further that the assigning Party will continue to remain fully responsible for the performance of all obligations owed to the other Party under the Agreement.
- 16.3 The assigning Party shall give written notice to the other Party of any assignment permitted to be made without the other Party's consent as soon as practicable. The other Party requires the assigning Party to provide reasonable assurance that the assigning Party will remain fully responsible for the performance of all obligations owed to the other Party under the Agreement.

17. WAIVERS

- 17.1 No failure on the part of either Party to exercise, and no delay on its part in exercising, any right or remedy under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right of remedy preclude any other or further exercise thereof under this Agreement or the exercise of any other rights or remedy. Subject to clause 13 and any other clauses of this Agreement specifying an exercise remedy, the rights and remedies provided in this Agreement are cumulative and not exclusive of any other rights or remedies (whether provided by law or otherwise)
- 17.2 Any consent or waiver by a Party under any provision of this Agreement must be in writing signed by the Party or Parties to be so bound. Any such waiver or consent may be given subject to any conditions (thought fir) by that Party and shall be effective only in the instance and for the purpose for which it is given.

18. SERVING OF NOTICES

All notices, demands or other communications required or permitted to be given or made under or in connection with this Agreement shall be in writing and shall be sufficiently given or made if:

- (a) delivered by hand, at the time of delivery; or
- (b) sent by pre-paid registered post, on the third Business Day after posting;
or

- (c) sent by legible facsimile transmission when receipt of such facsimile transmission is confirmed by the printing of a transmission report,

addressed to the intended recipient its address or facsimile number set out below. Either Party may from time to time notify the other Party of its change of address or facsimile number in accordance with this clause.

If to

Attention:

Facsimile:

with copy (except invoices) to:

Facsimile:

If to Requesting Operator:

Attention:

Facsimile:

19. ENTIRE AGREEMENT

19.1 This Agreement represents the entire understanding between the Parties concerning the provision of the services.

19.2 This Agreement together with its Schedules supersedes the letter agreement made between the Parties dated 14 February 2003 and all previous, understandings, commitments, agreements or representations whatsoever, whether oral or written, in relation to the subject matter of this Agreement.

20. GOVERNING LAW

The interpretation, validity and performance of this Agreement shall be governed in all aspects by the laws of the Hong Kong and the Parties submit to the exclusive jurisdiction of the courts of the Hong Kong.

SIGNED as an agreement.

SCHEDULE 1

DEFINITIONS

1. INTERPRETATION

1.1 In this Agreement, unless the context otherwise requires:

- (i) the singular includes the plural and vice versa;
- (ii) words which are gender neutral or gender specific include each gender;
- (iii) other parts of speech and grammatical forms of a word or phrase defined in the Agreement have a corresponding meaning;
- (iv) an expression importing a natural person includes a company, partnership, joint venture, association, corporation or other body corporate and a Government Agency;
- (v) a reference to a thing (including, but not limited to, a chose-in-action or other right) includes a part of that thing;
- (vi) a reference to clause, party, Schedule, Annex or Attachment is a reference to a clause of this Agreement, and a party, schedule, Annex or Attachment to, this Agreement, and a reference to this Agreement includes a Schedule, Annex or Attachment to this Agreement.
- (vii) a reference to law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or a rule of an applicable regulatory authority or stock exchange and is a reference to that law as amended, consolidated or replace.
- (viii) a reference to a document includes all amendments or supplements to that document, or replacements or novations of it;
- (ix) a reference to a party to a document include that party's successors and permitted assigns;
- (x) an agreement on the part of two or more persons binds them and severally;
and

- (xi) a reference to an agreement other than this Agreement, includes an undertaking, deed, agreement or legally enforceable arrangement or understanding, whether or not in writing.
- 1.2 Where the day on or by which something must be done is not a Business Day, that thing must be done on or by the following Business Day.
- 1.3 Headings are for convenience only and do not affect the interpretation of this Agreement.
- 1.4 This Agreement may not be construed adversely to a Party because that Party prepared or drafted it.

2. DEFINITIONS

The following definitions apply to words and phrases used in this Agreement unless an alternative context is stated to apply:

“Agreement” or **“this Agreement”** means the agreement entered into between and the Requesting Party on the terms and conditions specified in this Agreement;

“Authority” means the Telecommunications Authority appointed under the Telecommunications Ordinance (Cap. 106 of the laws of Hong Kong);

“Billing” means the processes specified in Schedule 5;

“Billing Period” means unless otherwise agreed in writing, the period of a Calendar month commencing on the first day of a month;

“Business Day” means any day other than Saturday, Sundays or the gazetted public holidays of Hong Kong;

“Calendar Day” means any day of the week;

“Charge(s)” means a fee payable by a Party for goods or services set out or referred to in this Agreement and as specified in a service schedule or elsewhere in the Agreement;

“Confidential Information” of a Party means all information know-how, ideas, concepts, technology, manufacturing process, industrial, marketing and commercial knowledge of a confidential nature (whether in a tangible or intangible form) relating to or developed in connection with or in support of the business of that Party (and any matter concerned with or arising out of this Agreement) but does not include:

- (a) Information which is or becomes part of the public domain (other than through any breach of this Agreement);
- (b) Information rightfully received by the other Party from third person without a duty of confidentiality being owed by the Party to that third person, except where that other Party has knowledge that the third person has obtained that information either directly or indirectly as a result of a breach of any duty of confidence owed to the first mentioned Party;
- (c) Information which has been independently developed by the Party; or
- (d) Information which is in the possession of, or is known to, the other Party prior to the date of this Agreement, to the extent that the other Party is not bound by any existing obligation of confidentiality in respect of such information to the first mentioned Party;

“Interconnect Link” means dedicated fixed network capacity necessary to establish one or more transmission paths between the switch location of Requesting Operator and Interconnect Exchange location of established in accordance with Schedule 3.

“Interconnection” means the interconnection, whether direct or indirect (as the case may be), of the network and the Requesting Party’s network;

“Loss” means any and all losses (including but not limited to indirect or Consequential Loss and loss of profits, business and business opportunities) damages, claims’ liabilities and demands and all expenses, legal and otherwise of any kind;

“OFTA” means the Office of Telecommunications Authority (‘OFTA’) organizations in the administration of telecommunications policy, law and regulation in the Hong Kong;

“Prime Lending Rate” means the rate per annum which is the prime lending rate for Hong Kong Dollars of the Hongkong Bank as announced by the bank from time to time, in force on such day and, for the purpose of this Agreement, a change in such rate shall be effective on and from the day on which it is announced or, if such announcement provides for such change to come into effect on a later day, on and from such later day;

“Service” means the telecommunications services described in the respective Service Schedule to this Agreement; and

“Switch” means the telecommunication apparatus that performs the function of switching and routing of calls.

SCHEDULE 2

PHYSICAL INTERCONNECTION

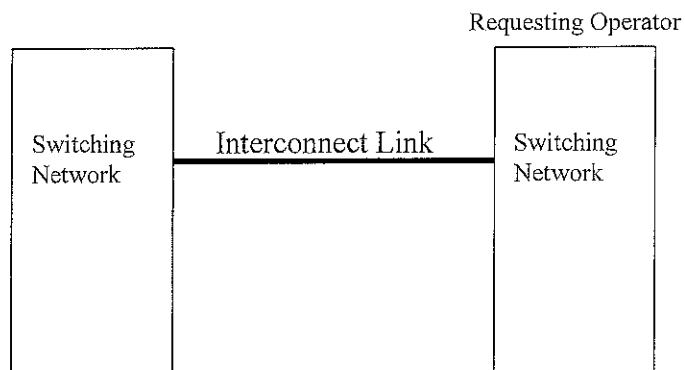
Part I:

Requesting Operator's Switch Location

Interconnect Exchange Location

Part II:

Diagram for Fixed Network Traffic Interconnection between Requesting Operator and



SCHEDULE 3

INTERCONNECT LINK SERVICE

Interconnect Link Service

The Requesting Operator agrees to subscribe the interconnect link service ("Interconnect Link Service") from _____ for establishing interconnection between the Requesting Operator and _____ connecting the following addresses:

The Requesting Operator's Switch Location:

Interconnect Exchange Location:

Interconnect Link Charge

i) The Initial Order

No. of Interconnect Link:	one T1 Link
Installation Charge:	HKD 3,000 per T1
Monthly Rental:	HKD 3,000 per T1
Delivery Date:	15 February 2003
Initial Contract Period:	6-month
Termination Notice:	At any time after the expiration of the Initial Contract Period, either party can provide 3-month advance written notice to the other party for termination.

ii) The Subsequent Order

Installation Charge:	HKD 3,000 per T1
Monthly Rental:	HKD 2,400 per T1
Minimum Contract Period:	5-month
Termination Notice:	At any time after the expiration of the Minimum Contract Period, either party can provide 1-month advance written notice to the other party for termination.

7 T1s
2-8

SCHEDULE 4

TRAFFIC CONVEYANCE SERVICE

Traffic Conveyance Service

The Parties agree to convey traffics destined for the other Party, as follows:

Interim Numbering Plan for traffic passing between the Requesting Operator and as of 15 February, 2003.

Termination	Numbering	Type
	NIL	NIL
Requesting Operator		Access Code for IDD services

Charges for Conveyance of Calls

PSTN Calls

OAC/TAC	
Per call attempt	2.5 cents
Per call occupancy minute	1.4 cents

Transit Charge	
Per call attempt	0.4 cents
Per call occupancy minute	0.8 cents

ETS Calls

LAC(t)	
Per call occupancy minute	10.6 cents

Charging Principles

The Parties will adhere to the following charging principles and will negotiate in good faith with a view to allow the conveyance of the following call traffics from a Party to the other Party as soon as reasonably practicable. Details of the agreement shall be in writing and set out in Schedule to be attached to this Agreement.

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. Please refer to the TA's Numbering Plan for exact number prefix.
2. LAC(t) to be applied for 00x, 20x, 300x IDD-like services and 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 FTNS Licence held by Reach Networks Hong Kong Limited.

For the relevant traffic over Category B routes delivered through the external gateway operated under the FTNS Licence by Reach Networks Hong Kong Limited, 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.

SCHEDULE 5

BILLING

1. GENERAL

This Billing Schedule describes the general billing settlement procedures in respect of Charges for services provided under this Agreement, as well as the procedures for settling any disputes relating to Billing (**Billing and Settlement Procedures**).

2. BILLING AND SETTLEMENT

- 2.1 Each Party (**the Invoicing Party**) shall employ its reasonable endeavours to issue to the other party (**Invoiced Party**) within (14) fourteen Calendar Days of each Billing Period an invoice in writing, or such electronic form as may be agreed from time to time, for amounts due in respect of the supply of services during such Billing Period. The Billing Period shall be monthly unless otherwise determine by the Invoicing Party.
- 2.2 The Invoicing Party may send invoices by the way of facsimile transmission on the date of issue of the invoice, followed by the hard copy via post.
- 2.3 All Charges payable shall be calculated according to the Charges contained in Schedule 2.
- 2.4 The Invoiced Party shall pay the Charges payable under this Agreement, no later than thirty (30) Calendar Days from the date of the relevant invoice (**Due Date**). The relevant requirements of clause 6 of the main body of this Agreement apply in relation to such payments. For the avoidance of doubt, the Invoiced Party shall pay these Charges to the Invoicing Party regardless of whether the Invoiced Party has received from its customers.
- 2.5 In addition to charging interest in accordance with this Schedule or exercising any other rights the Invoicing Party has at law or under this Agreement, where an undisputed amount is outstanding and remains unpaid for more than seven (7) Calendar Days after it is due for payment, the Invoicing Party reserves the right to take action, without further notice to the Invoiced Party, to recover any such amount as a debt due too the Invoicing Party.
- 2.6 Payments are deemed to be received on the date the payment is received by the Invoicing Party, unless the payment is subsequently dishonoured, in which case, payment is deemed not to have been received until cleared funds are received by the Invoicing Party together with all dishonoured fees and charges.

3. INTEREST ON OVERDUE AMOUNTS

- 3.1 If the Invoiced Party does not pay a sum payable under this Agreement by the Due Date, the Invoicing Party may charge interest on the amount from time to time outstanding in respect of that overdue sum for the period beginning on its Due Date and ending on the date of the receipt of the overdue sum by the Invoicing Party (both before and after judgment) in accordance with this clause. The Invoiced Party agrees to pay such interest on demand.
- 3.2 Interest shall accrue on that overdue sum at a fluctuating rate per annum equal to two (2%) percent above the Prime Lending Rate prevailing from time to time during that period. Where interest in respect of any due and unpaid amount is due to the Invoicing Party, the Invoicing Party may add the amount of such interest to its next invoice.

4. INVOICE ERRORS

- 4.1 If the Invoiced Party discovers an error in an invoice given by the Invoicing Party under this clause 4, it shall notify the Invoicing Party as soon as practicable. The Invoicing Party shall make the adjustment necessary to correct that error in its next invoice, if it is able to verify the error.
- 4.2 If the Invoicing Party has omitted or miscalculated Charges from an invoice, the Invoicing Party may include or amend (respectively) those Charges in a later invoice, as long as the Invoicing Party is able to substantiate these Charges to the Invoiced Party and the inclusion or amendment is made within six (6) months of the issuing of the invoice.
- 4.3 If the Invoiced Party makes an overpayment in error, it shall notify the Invoicing Party accordingly within thirty (30) Calendar Days of the date on which the overpayment was made with sufficient details for the Invoicing Party to be able to identify the overpayment. If the Invoicing Party verifies the overpayment, the Invoicing Party shall return the amount overpaid to the Invoiced Party.
- 4.4 Notwithstanding any other provision in this Schedule, interest shall not accrue or become payable in respect of sums added to an invoice error.
- 4.5 The Parties acknowledge that invoices cannot be warranted as being free from errors.

5. BILLING DISPUTE NOTIFICATION

- 5.1 If the Invoiced Party wishes to dispute in good faith an invoice prepared by the Invoicing Party (**Billing Dispute**), the Invoiced Party must notify the Invoicing Party in writing (**Billing Dispute Notice**) within thirty (30) Calendar Days after the date of that invoice (**Billing Dispute Notification Period**).

5.2 A Billing Dispute Notice given under this clause 5 must specify:

- (a) the reason for which the Invoiced Party disputes the invoice;
- (b) the amount in dispute; and
- (c) details required to identify the relevant and Charges in dispute including:
 - (i) the account number;
 - (ii) the invoice reference number;
 - (iii) the invoice date; and
 - (iv) the invoice amount.

5.3 For the avoidance of doubt, no invoices may be disputed after the expiration of the Billing Dispute Notification Period.

6. BILLING DISPUTE RESOLUTION

6.1 The Invoiced Party agrees to pay the undisputed portion of any invoice in accordance with the normal payment procedures set out in clause 2.4. If the dispute is resolved against the party initiating the dispute, that party shall be required to pay interest at the rate specified in clause 3.2 on the payable by the Invoiced Party.

6.2 Where the Invoiced Party has paid an amount and subsequently notifies the Invoicing Party of a Billing Dispute in relation to that amount within Billing Dispute Notification Period, the Invoicing Party is not obliged to refund any or all of that amount until the Billing Dispute is resolved in respect of that amount. The Invoicing Party is not required to pay interest on any amount refunded under this clause 6.

6.3 The Parties agree to use their reasonable endeavours to promptly resolve any Billing Dispute notified under clause 5.

6.4 Once any Billing Dispute has been resolved to the Parties' satisfaction, any sum to be paid or repaid shall be paid immediately by the relevant Party.

6.5 Data Discrepancies: The tolerance limit for discrepancies in respect of call data measured by the Parties respectively will be 1% in respect of the number of minutes used in the month covered by an invoice. This tolerance limit will be reviewed regularly, and adjusted by written agreement between the Parties.

- 6.6 Although it is the good faith intention of the Parties to use the above Billing Dispute Resolution Procedures to the fullest extent to try to solve Billing Disputes, nothing in this Schedule shall prevent either Party pursuing any other remedy in law or equity that may be available to them if a Billing Dispute cannot be resolved to their satisfaction.