

NEW SCHEDULE 1A TO THE POI AGREEMENT

and

on

This New Schedule 1A is signed between _____ and the FTNS Operator on 21 Feb 1997 ("Signing Date").

As of 16th May 1996, the FTNS Operator has already ordered up to 168 T1 under the Schedule 1A to the POI Establishment Agreement ("the Agreement") between the Parties dated 31st July 1995. The FTNS Operator and _____ agree to replace the original Schedule 1A with this New Schedule 1A with effect from 16th May 1996 ("Effective Date") to govern capacity increase beyond 168 T1.

Under this New Schedule 1A, increase in capacity ordered by the FTNS Operator may be achieved in two phases, namely Phase One and Phase Two. The terms and conditions which respectively apply to each phase are set out below. For avoidance of doubt, this New Schedule 1A is also subject to the terms and conditions contained in the body of the Agreement.

PHASE ONE - up to 252 T1

At any time during the two years from the date of the Agreement if 168 T1 have already been ordered and are payable by the FTNS Operator, the FTNS Operator may choose to order for capacity under the Agreement in accordance with the terms and conditions set out below for Phase One.

Part I: General

Under Phase One, the FTNS Operator may order capacity up to 252 T1 (inclusive of the 168 T1 that has been ordered by and provisioned to the FTNS Operator before the Signing Date).

FTNS Location

Interconnect Gateway Exchange

For the purpose of this New Schedule 1A, Interconnect Gateway Exchange as defined in the POI Agreements includes:

(a) Main Exchanges

(b) Tandem Exchanges

Provisioning Date

A maximum provision of 252 T1s (inclusive of the 168 T1 already provisioned before the Signing Date) will be provided on a date which is no less than 7 months from the Signing Date unless otherwise agreed by the Parties.

Minimum Service Period

36 months from the Installation Date in respect of the first capacity provisioned under Phase One of this New Schedule 1A.

Minimum Required Capacity

The minimum capacity which must be ordered by the FTNS Operator in respect of Interconnect Equipment and capacity on Network is 196 T1 (including the 168 T1 that the FTNS Operator has already ordered before the Signing Date).

Growth Conditions

1. Additional capacity may be ordered under this New Schedule 1A, up to a maximum of 252 T1 (including 168 T1 that the FTNS Operator has already ordered before the Signing Date), in minimum blocks of 4 T1 respectively.
2. The FTNS Operator 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 the FTNS Operator must pay in respect of that capacity in accordance with this 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 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

The charges set out below will be effective from the date when the 168 T1 transmission capacity from new FTNS to is exhausted.

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):**

16/5/96 (Effective Date) to 30/6/96 HK\$110,000 per 84 T1 increment

From 1/7/96 (after CPI adjustment) HK\$116,050 per 84 T1 increment.

Recurrent Charges

- 2a. **Interconnect Equipment Rental:**

16/5/96 (Effective Date) to 30/6/96 HK\$70,000 per month (up to 252 T1).

From 1/7/96 (after CPI adjustment) HK\$ 73,850 per month (up to 252 T1).

- 2b. **Recurrent Charge Reduction (This amount will be used in the calculation of the Payment Reduction and does not represent an additional payment by the FTNS Operator.) :**

16/5/96 (Effective Date) to 30/6/96 HK\$278 per T1 per month.

From 1/7/96(after CPI adjustment) HK\$293 per T1 per month.

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):

16/5/96 (Effective Date) to 30/6/96 HK\$700 per T1.

From 1/7/96 (after CPI adjustment) HK\$739 per T1.

Recurrent Charges

2. T1 Rental:

16/5/96 (Effective Date) to 30/6/96 HK\$1,100 per T1 per month

From 1/7/96 (after CPI adjustment) HK\$1,161 per T1 per month

Redeployment Charges

Agreed Pre-estimate of Redeployment Charges:

for termination prior to the first quarter following the third anniversary of the Installation Date: HK\$ 884,600.

for termination prior to the second quarter following the third anniversary of the Installation Date: HK\$ 819,600.

for termination prior to the third quarter following the third anniversary of the Installation Date: HK\$ 754,600.

for termination prior to the fourth quarter following the third anniversary of the Installation Date: HK\$ 689,600.

for termination prior to the first quarter following the fourth anniversary of the Installation Date: HK\$ 624,600.

for termination prior to the second quarter following the fourth anniversary of the Installation Date: HK\$ 559,600.

for termination prior to the third quarter following the fourth anniversary of the Installation Date: HK\$ 494,600.

for termination prior to the fourth quarter following the fourth anniversary of the Installation Date: HK\$ 429,600.

Part III: Payment Reduction and Additional Payment

The Payment Reduction is to be calculated as follows.

In respect of the one off charges:

(One off charges specified within Network Charges) x
(Agreed Allocation)

In respect of the recurrent charges, for each month the sum of:

(Recurrent charges specified within Network Charges) x
(Agreed Allocation), and

(Recurrent charge reduction per T1 specified within Interconnect Equipment Charges) x (Agreed Allocation).

Agreed Allocation

For the confirmed orders in respect of each Provisioning Date set out in Phase One of this Schedule, Agreed Allocation is the lesser of 65 T1 or 1/3 of the relevant confirmed order.

This Agreed Allocation is applicable during the first six months from the Installation Date of the relevant confirmed order. Any allocation after the six-month period may be reduced by from time to time.

As a clarification, Agreed Allocation does not include capacity in relation to the interconnection between the FTNS Operator and nor the FTNS Operator's indirect traffic.

The Additional Payment must be made by the FTNS Operator if the capacity actually utilised by as determines and advises to the FTNS Operator, within the first six months from the Installation Date of the relevant capacity is less than 90% of Agreed Allocation for that period. The amount of Additional Payment payable is the sum of all amounts allowed to the FTNS Operator as a Payment Reduction for that period, and is payable by the FTNS Operator immediately after the first six-month period of the relevant capacity.

For clarity, the Additional Payment is to be calculated as follows.

In respect of the one off charges:

(One off charges specified within Network Charges) x
(Agreed Allocation - actual use of capacity within first six
months)

In respect of the recurrent charges, the sum of:

(Recurrent charges specified within Network Charges) x
(Agreed Allocation - actual use of capacity within first six
months) x 6, and

(Recurrent charge reduction per T1 specified within Interconnect
Equipment Charges) x (Agreed Allocation - actual use of
capacity within first six months) x 6.

Part IV: Provision of "FTNS facility link" for interconnection between the FTNS Operator
and _____

For the purpose of completing the Interconnect Link, a "FTNS facility link" (as defined in Schedule 1B) is required between the FTNS Location and the relevant buildings in which the Interconnect Gateway Exchanges stipulated in Part I are located. The parties agree that the above terms and conditions set out for Phase One of this New Schedule 1A are applicable to the "FTNS facility link", save and except for the Provisioning Dates set out in Part I and the entire Part III on Payment Reduction and Additional Payment.

PHASE TWO - UP TO 336 T1

This Phase Two will become effective only if 252 T1 have already been ordered and are payable by the FTNS Operator under the Agreement during the two years from the date of the Agreement.

Part I: General

At any time during the two years from the date of the POI Agreement if 252 T1 have already been ordered and are payable by the FTNS Operator under the Agreement, the FTNS Operator may order for additional capacity up to 336 T1 (inclusive of the said 252 T1) in accordance with the terms and conditions set out below.

FTNS Location

Interconnect Gateway Exchange

For the purpose of this New Schedule 1A, Interconnect Gateway Exchange as defined in the POI Agreements includes:

(a) Main Exchanges

(b) Tandem Exchanges

Provisioning Date

A maximum capacity of 336 T1s (inclusive of the 252 T1 that must have been ordered prior to Phase Two coming into effect) will be provided on a date which is no less than 7 months from the date that Phase Two comes into effect.

Minimum Service Period

36 months from the Installation Date in respect of the first capacity provisioned under Phase Two of this New Schedule 1A.

Minimum Required Capacity

The minimum capacity which must be ordered by the FTNS Operator in respect of Interconnect Equipment and capacity on Network is 280 T1 (including the 252 T1 that the FTNS Operator must have already ordered before Phase Two comes into effect).

Growth Conditions

1. Additional capacity may be ordered under this Agreement in accordance with this Schedule, up to a maximum of 336 T1 (including 252 T1 that the FTNS Operator must have ordered before Phase Two comes into effect), in minimum blocks of 4 T1 respectively.
2. The FTNS Operator 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 the FTNS Operator must pay in respect of that capacity in accordance with this Agreement.

Part II: Charges

Increase in Charges

All charges listed under this Part II are subject to the provisions on increase in charges stated in the 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\$ 116,050 per 84 T1 increment.

Recurrent Charges

- 2a. Interconnect Equipment Rental: HK\$ 94,950 per month (up to 336 T1).

- 2b. Recurrent Charge Reduction:

HK\$ 282 per T1 per month. This amount will be used in the calculation of the Payment Reduction and does not represent an additional payment by the FTNS Operator.

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\$ 739 per T1.

Recurrent Charges

2. T1 Rental: HK\$ 1,161 per T1 per month.

Redeployment Charges

Agreed Pre-estimate of Redeployment Charges:

for termination prior to the first quarter following the third anniversary of the Installation Date: HK\$ 943,900.

for termination prior to the second quarter following the third anniversary of the Installation Date: HK\$ 872,700.

for termination prior to the third quarter following the third anniversary of the Installation Date: HK\$ 801,400.

for termination prior to the fourth quarter following the third anniversary of the Installation Date: HK\$ 730,200.

for termination prior to the first quarter following the fourth anniversary of the Installation Date: HK\$ 658,900.

for termination prior to the second quarter following the fourth anniversary of the Installation Date: HK\$ 587,700.

for termination prior to the third quarter following the fourth anniversary of the Installation Date: HK\$ 516,400.

for termination prior to the fourth quarter following the fourth anniversary of the Installation Date: HK\$ 445,200.

Part III: Payment Reduction and Additional Payment

The Payment Reduction is to be calculated as follows.

In respect of the one off charges:

(One off charges specified within Network Charges) x
(Agreed Allocation)

In respect of the recurrent charges, for each month the sum of:

(Recurrent charges specified within Network Charges) x
(Agreed Allocation), and

(Recurrent charge reduction per T1 specified within Interconnect
Equipment Charges) x (Agreed Allocation).

Agreed Allocation

For the confirmed orders in respect of each Provisioning Date set out in Phase Two of this Schedule, Agreed Allocation is the lesser of 93 T1 or 1/3 of the relevant confirmed order.

This Agreed Allocation is applicable during the first six months from the Installation Date of the relevant confirmed order. Any allocation after the six-month period may be reduced by from time to time.

As a clarification, Agreed Allocation does not include capacity in relation to the interconnection between the FTNS Operator and nor the FTNS Operator's indirect traffic.

The Additional Payment must be made by the FTNS Operator if the capacity actually utilised by , as determines and advises to the FTNS Operator, within the first six months from the Installation Date of the relevant capacity is less than 90% of Agreed Allocation for that period. The amount of Additional Payment payable is the sum of all amounts allowed to the FTNS Operator as a Payment Reduction for that period, and is payable by the FTNS Operator immediately after the first six-month period of the relevant capacity.

For clarity, the Additional Payment is to be calculated as follows.

In respect of the one off charges:

(One off charges specified within Network Charges) x
(Agreed Allocation - actual use of capacity within first six months)

In respect of the recurrent charges, the sum of:

(Recurrent charges specified within Network Charges) x
(Agreed Allocation - actual use of capacity within first six months) x 6, and

(Recurrent charge reduction per T1 specified within Interconnect Equipment Charges) x (Agreed Allocation - actual use of capacity within first six months) x 6.

Part IV: Provision of "FTNS facility link" for interconnection between the FTNS Operator and _____

For the purpose of completing the _____ Interconnect Link, a "FTNS facility link" (as defined in Schedule 1B) is required between the FTNS Location and the relevant buildings in which the _____ Interconnect Gateway Exchanges stipulated in Part I are located. The parties agree that the above terms and conditions set out for Phase Two of this New Schedule 1A are applicable to the "FTNS facility link", save and except for the Provisioning Dates set out in Part I and the entire Part III on Payment Reduction and Additional Payment.

Signed for and on behalf of

Name:

Title:

Signed for and on behalf of

Name:

Title:

NEW SCHEDULE 1A (LOT 2) TO THE POI AGREEMENT

and

on

This New Schedule 1A (Lot 2) of the POI Establishment Agreement between _____ and the FTNS Operator dated 31 July 1995 ("the Agreement") is signed between _____ and the FTNS Operator on 28 Feb 1997 ("Signing Date").

This New Schedule 1A (Lot 2) is supplementary to the New Schedule 1A which govern capacity of the first lot of 336 T1. The FTNS Operator and _____ agree to activate this New Schedule 1A (Lot 2) if the first lot of 336 T1 have already been ordered under the New Schedule 1A and are payable by the FTNS Operator under the Agreement. The date when _____ accepts the order beyond the first lot of 336 T1 from the FTNS Operator will be the effective date of this New Schedule 1A (Lot 2). For clarity, the charges payable by the FTNS Operator for capacity provisioned under this New Schedule 1A (Lot 2) is in addition to those charges payable by the FTNS Operator for capacity provisioned under the New Schedule 1A.

The terms and conditions which respectively apply to each phase are set out below. For avoidance of doubt, this New Schedule 1A (Lot 2) is also subject to the terms and conditions contained in the body of the Agreement.

Unless otherwise stated, the capacity of _____ Interconnect Link stated in this New Schedule 1A (Lot 2) is in addition to the first lot of 336 T1 which would have already been ordered and provisioned under the New Schedule 1A.

Up to 84 T1

This schedule will become effective only after the Signing Date and 336 T1 have already been ordered under the New Schedule 1A and are payable by the FTNS Operator under the Agreement during the two years from the date of the Agreement.

At any time during the two years from the date of the POI Agreement (the "Agreement") and after this schedule becomes effective, the FTNS Operator may choose to order for capacity under the Agreement in accordance with the terms and conditions set out below.

Part I: General

Under this schedule, the FTNS Operator may order capacity up to 84 T1.

FTNS Location

Interconnect Gateway Exchange

For the purpose of this New Schedule 1A (Lot 2), Interconnect Gateway Exchange as defined in the Agreement includes:

(a) Main Exchanges

(b) Tandem Exchanges

Provisioning Date

A maximum provision of 84 T1s will be provided on a date which is no less than 7 months from the date that this schedule comes into effect.

Minimum Service Period

36 months from the Installation Date in respect of the first capacity provisioned under this New Schedule 1A (Lot 2).

Minimum Required Capacity

The minimum capacity which must be ordered by the FTNS Operator in respect of Interconnect Equipment and capacity on Network is 28 T1.

Growth Conditions

1. Additional capacity may be ordered under this New Schedule 1A (Lot 2), up to a maximum of 84 T1, in minimum blocks of 4 T1 respectively.
2. The FTNS Operator 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 the FTNS Operator must pay in respect of that capacity in accordance with this 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 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\$105,500 for up to 84 T1.

Recurrent Charges

- 2a. Interconnect Equipment Rental:

HK\$22,000 per month for up to 84 T1.

- 2b. Recurrent Charge Reduction (This amount will be used in the calculation of the Payment Reduction and does not represent an additional payment by the FTNS Operator.) :

HK\$262 per T1 per month.

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\$739 per T1.

Recurrent Charges

2. T1 Rental:

HK\$1,161 per T1 per month

Redeployment Charges

Agreed Pre-estimate of Redeployment Charges:

for termination prior to the first quarter following the third anniversary of the Installation Date: HK\$408,300.

for termination prior to the second quarter following the third anniversary of the Installation Date: HK\$378,800.

for termination prior to the third quarter following the third anniversary of the Installation Date: HK\$349,300.

for termination prior to the fourth quarter following the third anniversary of the Installation Date: HK\$319,800.

for termination prior to the first quarter following the fourth anniversary of the Installation Date: HK\$290,800.

for termination prior to the second quarter following the fourth anniversary of the Installation Date: HK\$260,800.

for termination prior to the third quarter following the fourth anniversary of the Installation Date: HK\$231,300.

for termination prior to the fourth quarter following the fourth anniversary of the Installation Date: HK\$201,800.

Part III: Payment Reduction and Additional Payment

The Payment Reduction is to be calculated as follows.

In respect of the one off charges:

(One off charges specified within Network Charges) x
(Agreed Allocation)

In respect of the recurrent charges, for each month the sum of:

(Recurrent charges specified within Network Charges) x
(Agreed Allocation), and

(Recurrent charge reduction per T1 specified within Interconnect
Equipment Charges) x (Agreed Allocation).

Agreed Allocation

For the confirmed orders in respect of each Provisioning Date set out in this Schedule, Agreed Allocation is the lesser of 9 T1 or 1/3 of the relevant confirmed order.

This Agreed Allocation is applicable during the first six months from the Installation Date of the relevant confirmed order. Any allocation after the six-month period may be reduced by from time to time.

As a clarification, Agreed Allocation does not include capacity in relation to the interconnection between the FTNS Operator and nor the FTNS Operator's indirect traffic.

The Additional Payment must be made by the FTNS Operator if the capacity actually utilised by as determines and advises to the FTNS Operator, within the first six months from the Installation Date of the relevant capacity is less than 90% of Agreed Allocation for that period. The amount of Additional Payment payable is the sum of all amounts allowed to the FTNS Operator as a Payment Reduction for that period, and is payable by the FTNS Operator immediately after the first six-month period of the relevant capacity.

For clarity, the Additional Payment is to be calculated as follows.

In respect of the one off charges:

(One off charges specified within Network Charges) x
(Agreed Allocation - actual use of capacity within first six
months)

In respect of the recurrent charges, the sum of:

(Recurrent charges specified within Network Charges) x
(Agreed Allocation - actual use of capacity within first six
months) x 6, and

(Recurrent charge reduction per T1 specified within Interconnect
Equipment Charges) x (Agreed Allocation - actual use of
capacity within first six months) x 6.

Part IV: Provision of "FTNS facility link" for interconnection between the FTNS Operator
and _____

For the purpose of completing the Interconnect Link, a "FTNS facility link" (as
defined in Schedule 1B) is required between the FTNS Location and the relevant buildings in
which the Interconnect Gateway Exchanges stipulated in Part I are located. The
parties agree that the above terms and conditions set out for this New Schedule 1A (Lot 2)
are applicable to the "FTNS facility link", save and except for the Provisioning Dates set out
in Part I and the entire Part III on Payment Reduction and Additional Payment.

Signed for and on behalf of

Name:

Title:

Signed for and on behalf of

Name:

Title: