

21 May 2004

By fax (_____) & mail

Dear _____,

**Memorandum of Understanding Dated 14 July 1999 and
Amendment Letter dated 6 June 2003 (the "MOU")**

I refer to our recent telephone discussion regarding the MOU signed between

According to clause 2.3 of the MOU, each party shall deliver all relevant traffic of the numbering levels specified in Schedule 3, which may be revised by mutual agreement of the parties from time to time.

I write to confirm our agreement to include conveyance of ISDN traffic as part of the MOU with immediate effect provided that:

- _____ shall, at its own cost and expense, arrange sufficient dedicated POI for the conveyance of ISDN traffic between _____ and _____;
- Unless otherwise agreed by the parties in writing, the ISDN traffic to be conveyed between the parties shall not include ISDN traffic of other FTNS or mobile operators or any other third parties transit through _____ or _____. For the avoidance of doubt neither party shall disguise such ISDN traffic transit through their respective network; and
- The parties shall follow the determination issued by the Telecommunications Authority (the "TA") on the terms and conditions of interconnection between PCCW-HKT Telephone Limited and Wharf T&T Limited dated 27 February 2003 (the "Determination") to settle the interconnection charges for ISDN traffic conveyed between the parties on or before 30 June 2003. The

interconnection charges for ISDN traffic conveyed between the parties after 30 June 2003 shall be charged in accordance with the Determination on a provisional basis and shall be subject to further negotiation between the parties or as determined by the TA.

Except otherwise stated in this letter, all other terms and conditions of the MOU shall remain unchanged and in full force.

Please confirm your agreement to the above changes by signing and returning the duplicate copy of this letter to us.

Please do not hesitate to contact me if you have any queries regarding this matter. I look forward to hearing from you soon.

Yours sincerely,

Confirmed acceptance by an authorised representative
For and on behalf of