

**Auction of Radio Spectrum in the 1800 MHz Band
for Expansion of Public Mobile
Telecommunications Services**

Bidding Stage: Progress Update for the First Day

The Telecommunications Authority commenced today (8 June 2009) the bidding stage of the auction of radio spectrum in the 1800 MHz band for expansion of public mobile telecommunications services. There are three qualified bidders¹ participating in the auction and bidding for six frequency bands, each of which has a bandwidth of 2 x 0.8MHz. The bidding stage was conducted between 9:30 a.m. and 5:00 p.m. over an Internet-based software platform. After eight rounds of bidding, the total sum of the highest bids of the upfront spectrum utilization fee for the frequency bands is HK\$ 10.44 million.

In addition to the upfront spectrum utilization fee, the use of the frequency bands will be subject to payment of annual spectrum utilization fee (for the period from 30 September 2009 to 29 September 2011, HK\$232,000 for each frequency band per year; and for each period from 30 September 2011 to 29 September 2021,

¹ The three qualified bidders are : (a) China Mobile Hong Kong Company Limited; (b) Hong Kong Telecommunications (HKT) Limited; and (c) SmarTone Mobile Communications Limited.

HK\$2.32 million for each frequency band per year or 5% of the network turnover in the year concerned (whichever is the higher)).

As the bidders still placed bids in the last round of the auction today, the bidding stage will continue tomorrow (9 June 2009).

The Office of the Telecommunications Authority will provide further update tomorrow.

Office of the Telecommunications Authority

8 June 2009