

TELECOMMUNICATIONS ORDINANCE
(Chapter 106)

FIXED CARRIER LICENCE

DATE OF ISSUE: 1 December 2003 (Amended on 20 December 2007)

Television Broadcasts Limited
.....

of TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Kowloon
.....

(the “licensee”) is licensed, subject to the following conditions set out in this licence-

- (a) to provide a public telecommunications service (the “service”), the scope of which is described in Schedule 1;
- (b) to establish and maintain a telecommunications network (the “network”) described in Schedules 2 and 3 to provide the service;
- (c) to possess and use the radiocommunications installations described in Schedule 3 to provide the service; and
- (d) to deal in, import and demonstrate, with a view to sale in the course of trade or business, such apparatus or material for radiocommunications as may be necessary to supply customers of the service.

GENERAL CONDITIONS

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this licence, except as hereinafter provided or unless the context otherwise requires, words or expressions shall have the meanings assigned to them in the Telecommunications Ordinance (Cap. 106) (the “Ordinance”) and, as the case may be, the Interpretation and General Clauses Ordinance (Cap. 1). For the purposes of interpreting this licence, headings and titles shall be disregarded.
- 1.2 This licence shall not be construed as granting an exclusive right to the licensee to provide the service.
- 1.3 This licence replaces any licence or any exemption from licensing, however described, which the Authority may have granted to the licensee for providing the service.
- 1.4 The grant of this licence does not authorize the licensee to do anything which infringes any exclusive licence granted under the Ordinance or any exclusive right to operate and provide telecommunications networks, systems, installations or services granted under any other Ordinance.

2. TRANSFER

- 2.1 The licensee may, only with the prior written consent of the Authority and subject to such reasonable conditions as the Authority thinks fit, transfer this licence or any permission, right or benefit under this licence. In giving his consent the Authority will have regard to such matters as he thinks fit including but not limited to the effect which the transfer will have on market structure and the financial and technical competence and viability of the transferee.

3. INTERNATIONAL CONVENTIONS

- 3.1 The licensee shall at all times perform and observe the requirements of the

Constitution and Convention of the International Telecommunication Union and the regulations and recommendations annexed to it, as are stated to be applicable to Hong Kong, and any other international convention, agreement, protocol, understanding or the like to the extent that the instruments described in this General Condition 3.1 impose obligations on Hong Kong of which the Authority gives notice to the licensee, except to the extent that the Authority may in writing exempt the licensee from such compliance.

- 3.2 Where the Government has been consulted about or is involved in the preparation or negotiation of an international convention, agreement, protocol or understanding or the like or amendments thereto which are on the subject-matter of telecommunications or which relate to another subject-matter but which the Government anticipates could have a material impact on the provision of the service under this licence, the Government will, where practicable, provide the licensee with a reasonable opportunity to make a submission stating its views on the matter.

4. COMPLIANCE GENERALLY

- 4.1 The licensee shall comply with the Ordinance, regulations made under the Ordinance, licence conditions or any other instruments which may be issued by the Authority under the Ordinance.

5. PROVISION OF SERVICE

- 5.1 The licensee shall, subject to Schedule 1 to this licence and any special conditions of this licence relating to the provision of the service, at all times during the validity period of this licence operate, maintain and provide a good, efficient and continuous service in a manner satisfactory to the Authority. The Authority may, on application in writing by the licensee, exempt a part or parts of the service from the requirement of continuous provision.

6. CUSTOMER CHARTER

- 6.1 Unless a waiver in writing is granted by the Authority, the licensee shall prepare a customer charter which sets out the minimum standards of service to the licensee's customers and gives guidance to the employees of the licensee in their relations and dealings with customers.

7. CONFIDENTIALITY OF CUSTOMER INFORMATION

- 7.1 The licensee shall not disclose information of a customer except with the consent of the customer, which form of consent shall be approved by the Authority, except for the prevention or detection of crime or the apprehension or prosecution of offenders or except as may be authorized by or under any law.
- 7.2 The licensee shall not use information provided by its customers or obtained in the course of provision of service to its customers other than for and in relation to the provision by the licensee of the service.

8. RECORDS AND PLANS OF NETWORK

- 8.1 The licensee shall keep records and plans (including overall network plans and cable route maps) of the telecommunications installation (including radiocommunications installation) and telecommunications nodes and exchanges, if any, provided under this licence and any other details concerning the network as may be reasonably required by the Authority, including but not limited to information from operational support systems, traffic flow information, and database information relating to the manner in which the network treats any communication (“network information”).
- 8.2 As required by the Authority, the licensee shall make the network information available, within reasonable time, to the Authority or to a person authorized in writing by the Authority for inspection for the Authority’s own purposes.

9. CONTROL OF INTERFERENCE AND OBSTRUCTION

- 9.1 The licensee shall take reasonable measures to install, maintain and operate the service and the network in such a manner as not to cause any harmful interference or physical obstruction to any lawful telecommunications service, or cause any physical obstruction to the installation, maintenance, operation, adjustment, repair, alteration, removal or replacement of the facilities of any lawful telecommunications or utility service provider.
- 9.2 The licensee shall take reasonable measures to ensure that the customers of the service do not cause harmful interference to lawful telecommunications services or utility services through use of the service.
- 9.3 The Authority may give such reasonable directions as he thinks fit to avoid harmful interference or physical obstruction referred to in General Condition 9.1. The licensee shall comply with the directions.

10. RESTRICTIONS ON ATTACHMENT TO PUBLIC BUILDINGS AND TREES

- 10.1 No part of the network shall be attached to any Government building except with the prior written consent of the Government Property Administrator, or to any tree on any Government land except with the prior written consent of the Director of Agriculture, Fisheries and Conservation, or the Director of Leisure and Cultural Services.

11. COMPLIANCE

- 11.1 If the licensee employs any person under contract for the purpose of the service, or for the installation, maintenance or operation of the network (a “contractor”), the licensee shall continue to be responsible for compliance with the conditions of this licence, and the performance thereof, by any contractor.

12. REQUIREMENTS OF RADIOCOMMUNICATIONS INSTALLATION

- 12.1 Each radiocommunications installation operated by or on behalf of the licensee shall be used only at the location and with emissions and at the frequencies and of the classes and characteristics specified in Schedule 3 to this licence and with such power and aerial characteristics as are specified in that Schedule in relation to the class and characteristics of the emission in use.
- 12.2 The apparatus comprised in each radiocommunications installation shall at all times comply with such technical standards as may be issued by the Authority.
- 12.3 The apparatus comprised in a radiocommunications installation shall be of a type approved by the Authority and shall be so designed, constructed, maintained and operated that its use shall not cause any interference to any radiocommunications.
- 12.4 A radiocommunications installation shall be operated only by the licensee or a person authorized by the licensee. The licensee shall not allow an unauthorized person to have access to the apparatus comprised in a radiocommunications installation. The licensee shall ensure that persons operating each radiocommunications installation shall at all times observe the conditions of this licence.
- 12.5 The licensee shall not make a change –
- (a) to any radiocommunications installation; or
 - (b) of the location of any radiocommunications installation,
- without the prior written approval of the Authority.
- 12.6 If any telecommunications installation (including radiocommunications installation) crosses above or may fall or be blown onto any overhead power wire (including electric lighting and tramway wires) or power apparatus it shall be guarded to the reasonable satisfaction of the owner of the power wire or power apparatus concerned.

13. USE OF FREQUENCIES

- 13.1 The radiocommunications installation operated by or on behalf of the licensee shall only be operated on such frequencies as the Authority may assign.

14. SAFETY

- 14.1 The licensee shall take proper and adequate safety measures for the safeguarding of life and property in connection with all installations, equipment and apparatus operated or used, including safeguarding against exposure to any electrical or radiation hazard emanating from the installations, equipment or apparatus operated or used under this licence.
- 14.2 The licensee shall comply with the safety standards and specifications as may from time to time be prescribed by the Authority and any directions of the Authority in relation to any safety matter.

15. PROHIBITION OF CLAIMS AGAINST GOVERNMENT

- 15.1 The licensee shall have no claim against the Government in tort or in contract in respect of any disturbance or interruption to any part of the network due to works carried out by or on behalf of the Government which result in disturbance to the network.

16. INDEMNITY

- 16.1 The licensee shall indemnify the Government against any losses, claims, charges, expenses, actions, damages or demands which the Government incurs or which may be made against the Government as a result of or in relation to the activities of the licensee or any employee, agent or contractor of the licensee in relation to the provision of the service or the installation, maintenance and operation of the network.

17. CONTRAVENTION BEYOND LICENSEE'S CONTROL

- 17.1 The licensee shall not be liable for any breach of this licence where it is able to demonstrate, to the reasonable satisfaction of the Authority, that the breach was caused by circumstances beyond its control and that it has taken all reasonable steps open to it to rectify that breach.
- 17.2 Where the circumstances referred to in General Condition 17.1 are such that there is an outage or interruption in the service affecting a significant number of the licensee's customers for a period of more than 7 days, the licensee shall provide the Authority with a full report in writing detailing the reasons for the breach and indicating when, or if, it will be able to continue to provide the service.
- 17.3 If the Authority is, after considering a report provided under General Condition 17.2, of the reasonable belief that the licensee would be able to provide the service within a reasonable period of time despite the circumstances outlined in that report, the Authority may direct that the licensee recommence the service within such reasonable period as the Authority may in writing direct. The licensee shall comply with such direction.

18. PUBLICATION OF LICENCE

- 18.1 The licensee, or the Authority, may at their discretion make the terms and conditions of this licence, including any specific conditions, publicly available in any manner they think fit.

SPECIAL CONDITIONS

1. REQUIREMENT TO FURNISH INFORMATION TO THE AUTHORITY

1.1 The licensee shall furnish to the Authority, in such manner and at such times as the Authority may request in writing, such information related to the business run by the licensee under this licence, including financial, technical and statistical information, accounts and other records, as the Authority may reasonably require to perform his functions under the Ordinance and this licence. Information referred to in this Special Condition includes but is not limited to such information as listed in Schedule 6.

1.2 Subject to Special Condition 1.3, the Authority may use and disclose information to such person as the Authority thinks fit.

1.3 Where the Authority proposes to disclose information obtained and the Authority considers that the disclosure would result in the release of information concerning the business or commercial or financial affairs of a licensee which disclosure would or could reasonably be expected to adversely affect the licensee's lawful business or commercial or financial affairs, the Authority will give the licensee a reasonable opportunity to make representations on the proposed disclosure before the Authority makes a final decision whether to disclose the information.

2. AMENDMENT TO SCOPE OF SERVICE

2.1 The licensee may apply to the Authority to add, change or delete any of the service in Schedule 1. The Authority may amend Schedule 1 to add, change or delete any of the service.

3. RECORDS AND PLANS OF THE NETWORK

3.1 The licensee shall submit to the Authority the following details which may be

incorporated in Schedules 1, 2 and 3 of the licence -

- (a) Details of the service including telecommunications services and television programme services intended to be transmitted over the network;
- (b) The technical parameters including frequency, transmission standard, video signal format, sound signal format and data stream format, etc., for the service;
- (c) Details of the network for providing the service including locations of transmitting stations and receiving stations, transmitter powers, transmitting frequencies, emission mode, antenna patterns and other relevant parameters;
- (d) Coverage areas or districts of the service in Schedule 1, of each of the transmitting frequencies and of each of the transmitting stations in Schedule 2; and
- (e) All the radiocommunications installations, apparatus, equipment, etc. which are required to support the operation of the network for the provision of the service.

3.2 The licensee shall maintain and operate the network for provision of the service in accordance with Schedules 2 and 3 of this licence and any amendments to them as approved by the Authority.

3.3 The Authority may amend Schedules 2 and 3 when necessary. The licensee shall comply with the amendments in accordance with the instructions given by the Authority.

3.4 Prior approval of the Authority shall be obtained for the licensee to add, delete, cancel or stop the use of any frequencies for the transmission of the service or to change any parameters of the transmitting stations in Schedules 2 and 3.

3.5 The Authority may disclose the network information in accordance with section 7I(3) of the Ordinance.

- 3.6 The licensee shall, at the reasonable request of any other licensee under the Ordinance, if so authorized by the Authority, give reasonable access to its network information for the facilitation of network planning, maintenance and reconfiguration required for the purposes of Special Condition 3 and section 36AA of the Ordinance. The licensee shall be permitted to charge the requesting party so as to be fairly compensated for the reasonable relevant costs incurred in the provision of such network information.
- 3.7 Where the licensee and any other licensee that has requested access to the network information in accordance with Special Condition 3.6 are unable to agree what amounts to reasonable access (including confidentiality requirements and fair compensation for the reasonable relevant costs incurred) or a reasonable request, the matter at issue may be referred by either the licensee or the other licensee to the Authority for determination.

4. CHANGES TO THE NETWORK

- 4.1 For the purposes of this licence, a change in the network is a material change where the implementation of the change would result in the network no longer being in compliance with any relevant technical standard which the Authority has power to issue.
- 4.2 The licensee shall notify the Authority of any proposals for material changes to the network and provide him with such information as the Authority reasonably requires.
- 4.3 The licensee shall not, without the prior consent in writing of the Authority, make any material changes which might reasonably be anticipated by the licensee to affect –
- (a) any telecommunications services or installations connected to the network;
 - (b) a person producing or supplying telecommunications apparatus for connection to the network;
 - (c) a licensee under the Ordinance;

- (d) a licensee under the Broadcasting Ordinance (Cap. 562); or
- (e) a customer or a consumer of goods and services provided by any person or entity,

if the change is in the opinion of the Authority likely to require modifications or replacements to, or cessation in the production or supply of any of the telecommunications apparatus involved, or if the proposed alteration would require substantial network re-configuration or re-routing.

- 4.4 The licensee shall prepare and publish, after consultation with the Authority, its procedures for consulting with and giving notice to persons likely to be affected materially by changes to its network which are required to be notified in accordance with Special Condition 4.2 and any other changes required to be notified pursuant to any technical standard which the Authority has power to issue. Subject to approval of the Authority, the notification procedures to each of the classes of persons likely to be affected under Special Condition 4.3 may differ having regard to the practicality and costs of notifying them.

5. USE OF FREQUENCIES

- 5.1 The licensee shall use only those frequencies as assigned by the Authority in Schedules 2 and 3 for the operation of radiocommunications installations for the provision of the service.
- 5.2 The Authority may by notice require the licensee to cease operating any radiocommunications installations on any frequencies assigned to the licensee in Schedules 2 and 3 if in the opinion of the Authority, the use of the frequencies may cause interference problem or the licensee is not making efficient use of them.
- 5.3 At least 75% of the transmission capacity of each frequency assigned by the Authority in Schedule 2 (A) (ii) and (iii) at each transmitting station shall be used to transmit digital television programme services.

6. INSURANCE

- 6.1 Throughout the currency of this licence, the licensee shall have and maintain a valid insurance policy with a reputable insurance company to cover its third party liabilities in respect of personal injury, death and damage to property, arising out of or in connection with the installation, maintenance and operation of the network or provision of the service. The amount of insurance shall be at least HK\$10,000,000 per occurrence or such sum as the Authority may notify in writing in future.

7 PERIOD OF VALIDITY OF LICENCE

- 7.1 The licence shall be valid for a period of 15 years from the day on which the licence is issued and in the case of a renewal, if any, a further period of not more than 15 years, as specified by the Authority.

8. TECHNICAL SPECIFICATIONS, GUIDELINES AND CODES OF PRACTICE

- 8.1 The licensee shall comply with the Ordinance, regulations made under the Ordinance, licence conditions or any other instruments which may be issued by the Authority under the Ordinance and technical specifications, guidelines or codes of practice which may be issued by the Authority as in his opinion are suitable for the purpose of providing technical specifications or practical guidance on any particular aspect of any conditions of this licence.

9. STATION IDENTIFICATION SIGNALS

- 9.1 The licensee shall, when transmitting any signals of television programme service including any test or experimental transmission, transmit a station identification signal as approved by the Authority, on a regular basis and in any case should not be less than once per 60 minutes.
- 9.2 The licensee shall give the Authority not less than 14 days' notice in writing of any proposed change to its station identification signal and shall comply with any

direction of the Authority in relation to the signal.

10. COVERAGE REQUIREMENTS FOR TELEVISION PROGRAMME SERVICE

10.1 The licensee may use the network to transmit television programme service to fulfill the coverage requirements of a television programme service. The licensee shall in writing notify the Authority of the television programme service licence(s) which the licensee intends to provide television programme services by the network. In transmitting television programme services by the network, the licensee shall observe and comply with the following requirements:

- (a) The network operated by the licensee shall be required to provide such coverage to enable the service to be received throughout Hong Kong in accordance with the domestic free television programme service licence. The licensee shall provide to the Authority a coverage map of each of the transmitters as specified in Schedule 2.
- (b) The licensee shall conduct field measurement and inspection of the transmitters regularly to ensure acceptable coverage has been provided and maintained. Regular reports of the field measurement and inspection shall be submitted to the Authority. The Authority may specify the format of the report and inspection procedure.
- (c) The licensee may make proposals to the Authority, if necessary, to improve coverage. Upon approval of the proposal, the licensee shall implement the improvement in accordance with the approval given by the Authority.
- (d) The licensee shall construct and operate new television transmitting stations to improve coverage as required under the domestic free television programme service licence. The licensee shall follow the technical instructions, including but not limited to, parameters of the transmitting stations, as given by the Authority to build the transmitting stations. The licensee shall bear all the costs involved for constructing and operating the new transmitting stations.

- (e) The licensee shall follow the instruction as given by the Authority to modify or change any telecommunications systems or radiocommunications stations specified in Schedule 2 to improve the service. The licensee shall bear all the costs of the works.
- (f) When directed by the Authority, the licensee shall, subject to this licence, provide facilities in accordance with the advice of the Authority at the customer premises to provide the service.
- (g) When directed by the Authority, the licensee shall conduct investigations on complaints relating to television reception. The licensee shall complete the investigation within reasonable period and submit the investigation report to the Authority. The Authority may specify the investigation procedure and format of the report.

10.2 For the transmission of digital television programme services, the licensee shall comply with Schedule 4 in respect of the commencement of service of the specified transmitting stations.

10.3 For the purpose of Special Condition 10.2, a station is regarded as having commenced service if signals of television programme services are transmitted from the station, subject to approval by the Authority, for the purpose of reception by the general public other than for the purpose of tests and trials.

11. COMBINED TRANSMITTING SYSTEMS FOR TELEVISION PROGRAMME SERVICES

11.1 Without prejudice to any direction which may be made by the Authority under section 36AA of the Ordinance, the licensee shall negotiate in good faith in an attempt to reach agreement and use all reasonable endeavours to enter into agreement with other licensees who are authorised to transmit television programme signals and associated sound and data signals for television programme service to share the use of the Combined Transmitting Systems referred to in Special Condition 11.4. For the purpose of this Special Condition, “television programme service” has the same meaning ascribed to it in the Broadcasting Ordinance, irrespective of whether such service is licensable under the

Broadcasting Ordinance.

- 11.2 Where the licensee is unable to agree within a reasonable time with other licensee pursuant to Special Condition 11.1 on the shared use of the Combined Transmitting Systems, the matter at issue may be referred by either licensee to the Authority for determination.
- 11.3 In providing, using and sharing the Combined Transmitting Systems, the licensee shall comply with such technical specifications and take such measures as may be required by the Authority (including without limitation specifications and measures regarding system configuration, capacity, redundancy and provision of standby equipment).
- 11.4 Subject to any determination which may be made by the Authority, the agreement(s) referred to in Special Condition 11.1 may include terms and conditions providing for sharing of the relevant reasonable costs attributable to the provision, use or sharing of the Combined Transmitting Systems.
- 11.5 For the purpose of this Special Condition, "Combined Transmitting Systems" refer to the facilities which the licensee has agreed to share in accordance with its proposal of digitalization plan as approved by the Authority in Annexe to Schedule 1 which includes:
- (A) Multiple Frequency Network (MFN)
- (A1) Passive Facilities
- (i) combiners, feeders, antenna towers, antennas and all related passive equipment, used for transmitting television and associated sound and data signals received directly or indirectly from the transmitters of the licensee; and
- (ii) antenna system and associated microwave combiner for distribution microwave links, if any, used to transmit and receive television programme signals and associated sound and data signals between such radiocommunication stations as specified in Schedule 3(A)(ii)(a).
- (A2) Active Facilities
- (i) the multiplexer in the multiple frequency network configuration

used to receive programme transport streams from the licensee; and

(ii) transmitters and distribution microwave links as well as all related active equipment, if any, used for transmitting television and associated sound and data signals received directly or indirectly from the aforesaid multiplex.

(B) Single Frequency Network (SFN)

(B1) Passive Facilities

(i) combiners, feeders, antenna towers, antennas and all related passive equipment, if any, used for transmitting television and associated sound and data signals received directly or indirectly from the transmitters of the licensee; and

(ii) antenna system and associated microwave combiner for distribution microwave links, if any, used to transmit and receive television programme signals and associated sound and data signals between such radiocommunication stations as specified in Schedule 3(A)(ii)(a).

(B2) Active Facilities

Nil.

12. STANDBY POWER SUPPLY SYSTEM FOR TRANSMITTING STATION

12.1 The licensee shall provide standby power supply systems at those transmitting stations for the transmission of television programme services as specified by the Authority. The standby power supply systems shall be able to maintain the transmitting stations to provide normal transmission when the public electricity supply is out of service for any reason.

12.2 The standby power supply systems referred to in Special Condition 12.1 shall be able to be in service within one minute after failure of the public electricity supply and shall be able to maintain normal transmission by the stations for at least 48 hours.

13. COMMON FACILITIES AT TRANSMITTING STATIONS

- 13.1 The Authority may appoint the licensee or another licensee (the “Appointed Licensee”) to be responsible for the maintenance of the common facilities at a particular transmitting station for provision of television programme service.
- 13.2 The Appointed Licensee shall maintain the common facilities in such a manner as to ensure that no licensee shall have any operational advantages over any other licensee.
- 13.3 Subject to any determination which may be made by the Authority under section 36AA(6) of the Ordinance, all costs involved in the maintenance of the common facilities shall be shared among the parties who are using the common facilities on an equitable and reasonable basis.
- 13.4 The common facilities referred to in this Special Condition shall include Combined Transmitting Systems and/or other facilities the use of which is shared by the licensee and other licensees (either by virtue of an agreement between the licensee and other licensees or pursuant to a direction which may be made by the Authority under section 36AA of the Ordinance).

14. SECURITY AT UNATTENDED TRANSMITTING STATIONS

- 14.1 For the transmission of television programme services, the licensee shall take such steps as may be approved by the Authority to
- (a) prevent unattended transmitting stations from being intercepted or captured by interference or unauthorised signals; and
 - (b) ensure that unattended transmitting stations are shut down as soon as practicable after any interception or capture by interference or unauthorised signals.

15. LIMITATION ON WIRING OF SERVED PREMISES

15.1 The licensee shall not in providing, establishing, operating, adjusting, altering, replacing, removing or maintaining any telecommunications line or telecommunications installation in, over or upon any land for the purposes of this licence, obstruct, interfere with, or cause or permit damage to, any other telecommunications line or telecommunications installation, or means of telecommunications or telecommunications service or any gas or water pipe or main or any drain or sewer or any tube, casing, duct, wire or cable for the carriage of electrical current.

16. RESTRICTION ON INSTALLATION OF THE NETWORK

16.1 The licensee shall not, without the prior written consent of the Authority and the Director of Lands, carry out any installation works for its network, place and maintain any telecommunications line or system under, in, over or upon any street on unleased Government land.

17. STANDBY EQUIPMENT AND SPARE PARTS

17.1 The licensee shall provide and maintain adequate standby equipment and spare parts in Hong Kong to ensure that any interruption of transmission due to equipment fault is avoided or minimised, and that necessary repairs and replacements are made promptly.

17.2 The licensee shall add standby equipment as directed by the Authority to improve the reliability of the service.

18. PROVISION OF TESTING FACILITIES AND INSPECTION

18.1 For the provision of the service, the licensee shall provide adequate testing instruments, facilities and operating staff for verifying that the network and facilities provided under this licence comply with all the relevant codes of practice, standards and other relevant requirements set by the Authority.

18.2 The licensee shall at all reasonable times when directed by the Authority, make the facilities available for inspection and testing by the Authority and any person authorised by him for the purpose.

19. TECHNICAL STANDARD

19.1 For the interface between the service and other public telecommunications networks, services or customer premises equipment, the licensee shall use only widely accepted, open and non-proprietary technical standards, and for which a reasonable choice of customer premises equipment is available on the market, unless a waiver in writing is granted by the Authority as a temporary measure. The licensee shall submit proof to the satisfaction of the Authority that the technical standards used comply with the requirement under this Special Condition.

19.2 For the transmission and reception of digital television programme service, the licensee shall submit technical proposals for approval by the Authority. In approving the technical proposals submitted by the licensee, the Authority may prescribe such standards and specifications as is reasonable in the circumstances of the case.

19.3 The licensee shall comply with any standard and specification that may be prescribed by the Authority from time to time under Section 32D and/or under the terms and conditions of this licence. Where directed by the Authority, the licensee shall conduct such trials and tests as required by the Authority at the licensee's own costs and demonstrate to the satisfaction of the Authority that the licensee has complied with the standard and the specification that may be prescribed and / or approved by the Authority.

20. CUSTOMER PREMISES EQUIPMENT

20.1 Where the licensee is supplying customer premises equipment, the equipment shall comply with the technical standards which have been approved by the Authority. The customer premises equipment should also be a type approved by the Authority.

- 20.2 The licensee shall accept, on a non-discriminatory basis in terms of charges, connection time, service quality, availability, availability of functions and other terms and conditions, customer premises equipment which is of a type approved by the Authority and is technically compatible with the technical standards for interface with the service, irrespective of whether the equipment was acquired from the licensee or a source other than the licensee.
- 20.3 For the avoidance of doubt, the equipment which is commonly known as set top boxes or integrated receiver decoders or integrated digital television sets installed on customer premises is classified as customer premises equipment.

21. FREQUENCY CHANNELS OF IN-BUILDING COAXIAL CABLE DISTRIBUTION SYSTEMS (“IBCCDS”)

- 21.1 Subject to Special Conditions 21.2, 21.3, 21.4, 21.5 and 21.6, and in the event that the service is carried within IBCCDS, the licensee shall use only such channels as may from time to time be assigned by the Authority and for such purposes and under such conditions as may be specified by the Authority by notice in writing to the licensee.
- 21.2 The licensee shall accept that regulation of the use of channels within the IBCCDS by the Authority is necessary because of the limitation in the number of such channels available and the existence of competing demands for such channels.
- 21.3 The licensee shall comply with the guidelines and codes of practice issued by the Authority from time to time on the use of IBCCDS frequency channels.
- 21.4 The Authority may at any time, by giving not less than 12 months’ notice in writing to the licensee, require it upon such date as may be specified in the notice to cease using any IBCCDS frequency channel previously assigned to it, if having given the licensee sufficient opportunities to make representations, the Authority forms the opinion that the licensee is not making efficient use of that channel.
- 21.5 The Authority may at any time, by giving not less than 12 months’ notice in writing to the licensee, require it upon such date as may be specified in the notice to vary the purposes for which and the conditions under which the IBCCDS

frequency channels are to be used.

- 21.6 The Authority may at any time, by giving not less than 12 months' notice in writing to the licensee, require it upon such date as may be specified in the notice to cease using any channel previously assigned to it by the Authority to carry the service and to use such new channel at its own expenses as the Authority may assign.
- 21.7 The licensee shall comply with any notice that may from time to time be issued by the Authority under this Special Condition.

22. ACCESS TO BUILDINGS

- 22.1 The licensee shall not enter into any agreement, arrangement or understanding, whether legally enforceable or not, with any person, or receive any unfair advantage from a business carried on by it or any other person (whether associated or affiliated with it or not), which, in the opinion of the Authority, has or is likely to have the purpose or effect of preventing or restricting fair and non-discriminatory access to any buildings for the installation, operation or maintenance of any cables, equipment or network for the provision of a service licensed by the Authority.
- 22.2 The licensee shall comply with any guidelines or codes of practice that may from time to time be issued by the Authority for the facilitation and coordination of fair, non-discriminatory and orderly access to buildings for the installation, operation or maintenance of any cables, equipment or network for the provision of a service licensed by the Authority.

23. HANDLING OF COMPLAINTS

- 23.1 The licensee shall implement a procedure for dealing with complaints in relation to the network problems as required from time to time by the Authority.
- 23.2 The licensee shall keep a complete record in writing of complaints in relation to the network problems and submit it to the Authority on a regular basis on demand.

24. REQUIREMENTS FOR INTERCONNECTION

- 24.1 The licensee shall, where directed by the Authority, interconnect the network and the service on a non-discriminatory basis, with other telecommunications networks and services licensed, or deemed to be licensed, or exempted from licensing under the Ordinance.
- 24.2 The licensee shall use all reasonable endeavours to ensure that interconnection is done promptly, efficiently, on reasonable terms and conditions and at charges that are able to fairly and reasonably compensate the licensee for those costs attributable to the interconnection.
- 24.3 The licensee shall provide facilities and services reasonably necessary for the prompt and efficient interconnection referred to in Special Condition 24.1. Such facilities and services include -
- (i) carriage services for codes, messages or signals across and between the interconnected networks;
 - (ii) those necessary to establish, operate and maintain points of interconnection between the licensee's network and the networks of the other entities, including the provision of transmission capacity to connect between the licensee's network and networks of the other entities;
 - (iii) billing information reasonably required to enable the other entities to bill their customers;
 - (iv) facilities specified by the Authority pursuant to section 36AA of the Ordinance; and
 - (v) ancillary facilities and services required to support the above types of interconnection facilities and services.

25. DIGITIZATION OF NETWORK

- 25.1 When the licensee intends to digitize its network or to make further substantial development of the digitized network, the licensee shall provide a detailed proposal for such purposes, including but without limitation to business plan, implementation plan, investment plan, financial information and related information.
- 25.2 The Authority may approve the proposal of the licensee for the purpose of Special Condition 25.1 and impose terms and conditions in his approval which may include but without limitation to the representation made or information submitted by the licensee in its proposal, including its amendments, investment plan and implementation plan.
- 25.3 The licensee shall at its own costs and expenses comply with the direction given by the Authority to cease, change or add any frequencies for the transmitting stations in Schedule 2 for the digitization and further developments of network.
- 25.4 The licensee shall implement its proposal of digitization plan as approved by the Authority in the Annexe to Schedule 1, including any variation of the plan as required or approved by the Authority.
- 25.5 For the purpose of implementing its proposal of digitization plan as approved under Special Condition 25.1, the licensee shall carry out tests and trials as required by the Authority, including the transmission and reception tests in the radio frequencies specified by the Authority. The licensee shall bear all the costs for such tests and trials. The licensee shall submit to the Authority reports of the tests and trials in such form as may be specified by the Authority. The Authority may publish all or part of the reports as the Authority thinks fit for public information.

26. SIMULCAST OF BROADCASTING SERVICE

- 26.1 Subject to Special Condition 27, the licensee shall implement the digitization of the network as approved by the Authority under Special Condition 25 to transmit television programme service in digital and analogue forms simultaneously (“simulcast service”) in accordance with the requirements set out in the relevant

domestic free television programme service licence(s).

- 26.2 The licensee shall comply with all the coverage requirements specified in Special Condition 10 of this licence in the provision of the simulcast service.

27. SWITCH OFF OF ANALOGUE TRANSMISSION

- 27.1 Where directed by the Authority, the licensee shall switch off analogue transmission for television programme service and remove at its own costs the telecommunications installations in Schedule 2 and radiocommunications installations in Schedule 3 solely used for television programme service in analogue form and not re-deployable for the remaining service allowed under Schedule 1 and surrender the frequencies as may be specified by the Authority.

28. ACCOUNTING PRACTICES

- 28.1 Where directed by the Authority in writing, the licensee shall implement such accounting practices as specified by the Authority. Such accounting practices are to be consistent with generally accepted accounting practices, where applicable, and may include (but are not limited to) accounting practices which allow for the identification of the costs and charges for different services or types or kinds of services.

29. NETWORK LOCATION

- 29.1 The licensee shall keep accurate records of the location of the network installed under, in, over or upon any land.
- 29.2 The licensee shall record the information referred to under Special Condition 29.1 on route plans drawn on a topographic map issued by the Survey and Mapping Office of the Lands Department and of a scale to be determined by the licensee in consultation with the Director of Highways and the Director of Lands.
- 29.3 The licensee shall, at the request of the Director of Highways, the Director of

Lands, the Authority or any person who intends to undertake works in the vicinity of the network and who is authorized to do so by the Director of Highways, the Director of Lands or the Authority, provide free of charge information about the location of the network in diagrammatic or other form. The licensee shall make trained staff available on site to indicate the location and nature of the network to the Director of Highways, the Director of Lands, the Authority or any person authorized by the Director of Highways, the Director of Lands or the Authority.

- 29.4 The licensee shall mark or otherwise identify every wire laid or telecommunications installation installed by the licensee or any contractor on its behalf throughout the course of the wire, or at the location of the installation, so as to distinguish it from any other wire or telecommunications installation laid or installed in Hong Kong.
- 29.5 The licensee shall provide, at such intervals as the Authority may determine, distinguishable surface markers of the underground position of the network.

30. REQUIREMENTS OF INSTALLATION OF LINES OR CABLES

- 30.1 The network, or any part of it, if installed under, in, over or upon any public street or other unleased Government land, shall be at such depth, course, route and position as may be determined by the Director of Lands or the Director of Highways.
- 30.2 Without prejudice and in addition to the provisions of any law or Ordinance, in the course of providing, establishing, operating, adjusting, altering, replacing, removing or maintaining the network for the purposes of this licence, or any part of it, the licensee shall –
- (a) exercise all reasonable care, and cause as little inconvenience as possible to the public and as little damage to property as possible; and
 - (b) make good any physical damage caused to any person having a lawful interest in the land or being lawfully thereon and reinstate the land within a reasonable time in good and workmanlike manner. When it is not practicable to make good any damage or to reinstate the land to the

condition in which it existed prior to the damage, the licensee shall pay, promptly and fully, compensation for any damage caused to any person having an interest or right in the land affected.

31. WORKS IN PUBLIC STREETS

31.1 Where in the course of installing or maintaining the network the licensee needs to open or break up any public street the licensee shall –

- (a) apply to the Director of Highways or the Director of Lands for permission to open or break up the public streets;
- (b) complete the works for which the licensee has opened or broken up the public street with all due speed and diligence, fill in the ground and remove all construction related refuse caused by its works;
- (c) maintain the site of the works in a safe manner including the fencing of the site and the installation of adequate warning lighting at night; and
- (d) reinstate the street immediately after the completion of the works to the satisfaction of the Director of Highways or the Director of Lands.

31.2 If the licensee fails, within any period specified by the Director of Highways or the Director of Lands, to observe any of the requirements of Special Condition 31.1, the Director of Highways or the Director of Lands may take action to remedy the failure. The licensee shall reimburse the Government any such sum as may be certified by the Director of Highways or the Director of Lands to be reasonable cost for executing any works under the terms of this Special Condition 31.2.

32. INTERFERENCE WITH WORKS OF OTHERS

32.1 Where in the course of installing or maintaining the network, the licensee after obtaining the approval of the Director of Highways breaks up or opens any public street, it shall not remove, displace or interfere with any telecommunications line, any gas pipe or water pipe or main or any drain or sewer or any tube, casing, duct,

wire or cable for the carriage of electrical current and ancillary installations installed by any other person without that other person's consent.

- 32.2 In the case where the other person holds a licence under the Land (Miscellaneous Provisions) Ordinance (Cap. 28), any consent referred to in Special Condition 32.1 is refused, or cannot be obtained for any reason, the licensee may request the consent to proceed from the relevant authority in accordance with the terms of any licence issued to such other person under the Land (Miscellaneous Provisions) Ordinance, if any.

33. LICENSEE TO ALTER NETWORK ON NOTICE

- 33.1 The licensee shall, within such reasonable time and in such manner as may be directed by notice in writing by the Director of Highways or the Director of Lands, and at its own expense, alter the course, depth, position or mode of attachment of any apparatus forming part of the network.
- 33.2 Where the Director of Highways or the Director of Lands gives a direction under Special Condition 33.1, Special Condition 31 shall apply as if such alteration were part of the installation or maintenance of the network.

34. TRANSFER

- 34.1 Where a licensee is in a dominant position in a market for the provision of a public basic telephonic service over fixed carrier or fixed telecommunications networks within the meaning described in section 7L(2) of the Ordinance, it may not without the prior written consent of the Authority, which can be withheld for the purposes of General Condition 5.1, assign, transfer or otherwise dispose of more than 15% of the licensee's assets constituting the network, other than where the transfer or disposal of those assets is in the ordinary course of the licensee's maintenance, replacement or upgrading of the network.

35. PROVISION OF SERVICE

- 35.1 The licensee shall, subject to Schedule 1 and any special conditions of this licence relating to the provision of the service, provide the service on its published terms and conditions and at the tariff published in accordance with Special Condition 36 (as applicable) and at the discount notified to the Authority in accordance with Special Condition 46 (as applicable), on request of a customer whether or not the customer intends the service to be available for his own use or intends to utilize the service to provide a lawful telecommunications service to third parties.
- 35.2 Subject to Schedule 1 and any special conditions relating to the provision of the service, the licensee shall comply with a customer request for the service as tariffed by the licensee in accordance with Special Condition 36 where the service could reasonably be provided by the licensee to the customer at the location at which the service is requested utilizing the licensee's network in place at the time of the request.

36. PUBLICATION OF TARIFFS

- 36.1 The licensee shall publish and charge no more than the tariffs for the service operated under this licence. The published tariffs shall include the terms, as defined under section 7F(2) of the Ordinance, for the provision of the service.
- 36.2 Publication of a tariff shall be effected by:
- (a) publication in the Government of the Hong Kong Special Administrative Region Gazette on or before the date on which the tariff becomes effective;
 - (b) the Authority receiving a copy of the tariff on or before the date on which the tariff becomes effective;
 - (c) placing a copy of the tariff in a publicly accessible part of the principal place of business and other business premises of the licensee as specified by the Authority, as well as on the website of the licensee; and
 - (d) supplying a copy of the relevant details to any person who requests it, at a charge not greater than is necessary to recover reasonable costs of making and supplying the copy.

37. METERING ACCURACY

- 37.1 The licensee shall take all reasonable steps to ensure that any metering equipment used in connection with the service is accurate and reliable.
- 37.2 Upon the written request of the Authority, the licensee shall conduct tests on metering equipment to assess its accuracy, reliability and conformity to the technical standards, if any, specified by the Authority. The licensee shall submit the test result to the Authority within 14 days after the date of the test or such other longer period as the Authority may determine.
- 37.3 The licensee shall keep such records of any metering equipment in such form as may be specified by the Authority and shall supply such records to the Authority at the written request of the Authority.

38. DIRECTORY INFORMATION AND DIRECTORY INFORMATION SERVICES

- 38.1 For the purposes of this Special Condition –
- (a) “directory information” means information obtained by the licensee in the course of the provision of services under this licence concerning or relating to the name, address, business and telephone numbers of each of its customers; and
 - (b) “raw directory information” means the licensee’s directory information held in a basic format relating to all of its customers other than its customers who request that directory information about them not be disclosed.
- 38.2 This Special Condition applies only in respect of standard printed directories and other directory databases and services which include all of the names of a licensee’s customers listed in alphabetical order and does not apply to classified directories where customers are listed by business or trade category or to other business or specialised directories.

- 38.3 Subject to compliance with the Personal Data (Privacy) Ordinance (Cap. 486), General Condition 7 and any applicable law, the licensee shall, unless otherwise agreed by the Authority, –
- (a) publish or arrange at least biennially for the publication of directory information in a printed or other form approved by the Authority, relating to all its customers, other than its customers who request not to be included in a directory to be published (“the printed directory”); and
 - (b) establish, maintain and operate, or arrange for the establishment, maintenance or operation of a telecommunications service whereby customers may, upon request, be provided with directory information other than that of its customers who request the information not to be disclosed (“the telephonic directory service”).
- 38.4 The printed directory and the telephonic directory service provided under Special Condition 38.3 shall be made available free of charge to all of the licensee’s customers and shall be provided in a manner satisfactory to the Authority.
- 38.5 The licensee is permitted to make commercial arrangements with one or more of the other fixed carrier or fixed telecommunications network service licensees to co-operate in the provision jointly by them of either or both of the printed directory and the telephonic directory service which the licensee is required to provide under Special Condition 38.3.
- 38.6 For the purpose of Special Condition 38.3, the licensee’s printed directory shall be a unified printed directory and the licensee’s telephonic directory service shall be a unified telephonic directory service and shall utilise a unified directory database, containing directory information on all customers of all fixed carrier or fixed telecommunications network service licensees, except for those customers who request that directory information about them not be disclosed. The licensee shall provide, and regularly update, raw directory information about its customers to each other fixed carrier or fixed telecommunications network service licensee, for which the licensee will be able to impose a reasonable charge, if applicable, to fairly and reasonably compensate it for providing the raw directory information. The licensee shall endeavour to agree with each of the other licensees on a

reasonable mode of exchange and transmission format for the raw directory information.

38.7 Where the licensee is unable to agree with another licensee pursuant to Special Condition 38.6 on what amounts to fair and reasonable compensation for provision of, or the reasonable mode of exchange and transmission format of, raw directory information, the matter at issue may be referred by either licensee to the Authority for determination.

38.8 Except with the prior written approval of the Authority, the licensee shall not make use of raw directory information provided by another licensee other than for discharging its obligations under Special Condition 38.

39. EMERGENCY CALL SERVICE

39.1 The licensee shall, if directed by the Authority, provide a public emergency call service by means of which any member of the public may, at any time and without incurring any charge, by means of compatible apparatus connected to the network, communicate as quickly as practicable with the Hong Kong Police Emergency Centre or other entity as directed by the Authority to report an emergency.

40. NUMBERING PLAN

40.1 The licensee shall conform to a numbering plan made or approved by the Authority and any directions given by the Authority in respect of the numbering plan.

40.2 The licensee shall at the request of the Authority or otherwise consult the Authority about the arrangements for the allocation and reallocation of numbers and codes within the numbering plan.

40.3 Where requested by the Authority, the licensee shall prepare and furnish to the Authority proposals for developing, adding to or replacing the numbering plan relating to the service.

- 40.4 The licensee shall, in such manner as the Authority may direct, facilitate the portability of numbers assigned to any customer of any fixed carrier or fixed telecommunications network service licensee, so that any number so assigned may be used by that customer should it cease to be a customer of any such entity and become a customer of any other fixed carrier or fixed telecommunications network service licensee, as the case may be.
- 40.5 Directions by the Authority under Special Condition 40.4 include reasonable directions concerning the equitable sharing of all relevant costs associated with providing portability of numbers as between the licensee, any other fixed carrier or fixed telecommunications network services licensee, and any other person.
- 40.6 The licensee shall, in such manner as the Authority may direct and at its own expenses, facilitate the portability of numbers assigned to any customer of any public radiocommunications services licensed under the public radiocommunications service licence or mobile carrier licence granted under the Ordinance so that any number so assigned may be used by that customer should it cease to be a customer of any such entity and become a customer of any public radiocommunications services.

41. REQUIREMENTS FOR ROAD OPENING

- 41.1 The licensee shall co-ordinate and co-operate with any other fixed carrier or fixed telecommunications network services licensee under the Ordinance and any other authorized person in respect of road openings and shall, after being consulted by the Authority, comply with any guidelines issued by the Authority.

42. PURCHASE OF ASSETS

- 42.1 If a licensee is subject to a universal service obligation specified under the terms of the special conditions of its licence and the Ordinance, the Government may elect to take over the licensee's undertaking and purchase its assets if any of the following circumstances occurs
- (i) this licence expires;
 - (ii) this licence is revoked;

- (iii) the licensee goes into liquidation; or
- (iv) the licensee ceases to carry on business,

provided that if the Government elects to do so it shall give notice in writing not later than 90 days in advance of the expiry of this licence, or immediately upon revocation of this licence or within a reasonable time of the happening of the events at Special Condition 42.1 (iii) or 42.1 (iv).

42.2 The price of the assets of licensee to be acquired shall be agreed between the Government and the licensee on the basis of the fair market value of those assets at the time of acquisition determined on the basis that this licence remains in force and that the network is continuing to be used for the provision of the service. If no agreement can be reached between the Government and the licensee, the matter shall be settled by arbitration in accordance with the provisions of the Arbitration Ordinance (Cap. 341).

43. UNIVERSAL SERVICE CONTRIBUTION

43.1 Where directed by the Authority, the licensee shall pay to PCCW-HKT Telephone Limited, or other licensees, as the case may be, its relevant share of the universal service contribution to assist PCCW-HKT Telephone Limited, or those licensees, to meet their universal service obligations, if any.

43.2 Any universal service contribution shall be subject to annual review by the Authority as to description and quantum and the licensee shall pay its relevant share of such universal service contribution as the Authority may direct following a review. On the completion of an annual review, the Authority will supply the licensee such information as the Authority is reasonably able to supply, and subject to any duty of confidentiality, as to the basis on which the universal service contribution is calculated.

43.3 For the purpose of this Special Condition 43, the following definitions shall apply -

- (a) Universal service contribution is that sum calculated in accordance with a formula adopted annually by the Authority, to ensure that PCCW-HKT Telephone Limited, where it has a universal service obligation, or any other

licensee with such an obligation, as the case may be, receives a fair contribution from other fixed telecommunications network services licensees towards the costs, net of attributable revenue, of serving customers with basic service whom would otherwise not be served because it is not economically viable to do so but who are required to be served under the universal service obligation.

- (b) Universal service obligation is the obligation to provide, maintain and operate the relevant network in such manner as to ensure that a good, efficient and continuous basic service is reasonably available, subject to the Ordinance, to all persons in Hong Kong and to provide that basic service in such manner.

44. CIRCUMSTANCES OUTSIDE LICENSEES' CONTROL

44.1 For the avoidance of doubt, General Condition 17.1 of the licence shall apply to these special conditions and the Authority may at his discretion, and on such conditions as he thinks fit, extend any time period within which the obligations of the licensee under these special conditions may be met.

44.2 In exercising his discretion under Special Condition 44.1 with respect to any of the special conditions of the licence, the Authority shall take into account including, without limitation, whether circumstances are such that it would be unreasonable to require compliance by the licensee with the relevant special condition.

45. INTERPRETATION OF "FACILITY" UNDER SECTION 36AA OF THE ORDINANCE

45.1 For the avoidance of doubt, for the purpose of section 36AA of the Ordinance, "facility" shall include any telecommunications earth stations, overland or submarine cables, wayleaves and indefeasible rights of use which are reasonably necessary for the efficient provision and establishment of fixed telecommunications networks.

46. NOTIFICATION OF DISCOUNTS

- 46.1 Where directed by the Authority, the licensee shall notify the Authority of any discount to its published tariffs offered for any of the services operated under this licence.
- 46.2 Notification of a discount shall be effected upon the Authority's receipt of a copy of the discount to a tariff, including such information prescribed in Schedule 7, on or before the discount becomes effective.
- 46.3 The Authority may publish any discount that the licensee notifies under Special Condition 46.1 after the discount becomes effective, if the Authority considers that it is in the public interest to do so.
- 46.4 For the purposes of this Special Condition, "discount" means the amount of any payment, credit, rebate, waiver, allowance, gift, or other benefit, directed to a customer, other than:
- (a) an amount in repayment of an amount overpaid to the licensee by that customer;
 - (b) an amount in settlement of a disputed amount billed to that customer by the licensee;
 - (c) an amount payable pursuant to a service level or service quality obligation of the licensee to the customer; or
 - (d) the amount payable by a customer upon termination of service to that customer.

47. PUBLICATION OF ACCOUNTING RATES AND SETTLEMENT RATES

- 47.1 The Authority may at his discretion publish any information obtained from the licensee concerning international accounting rates, settlement rates or any other relevant information concerning the charge paid by the licensee to overseas carriers or service providers for delivery of external traffic.

48. PERFORMANCE BOND

- 48.1 On or before 31 January 2008, the licensee shall submit to the Authority a duly issued performance bond in Hong Kong dollars in the amounts, on the Milestones and with the Deadlines for Compliance stipulated in the Annexe to the performance bond appearing in Schedule 5.
- 48.2 The performance bond to be submitted pursuant to Special Condition 48.1 shall be in the form appearing in Schedule 5 with only such amendments thereto as may previously have been agreed in writing by the Authority.
- 48.3 The performance bond to be submitted pursuant to Special Condition 48.1 shall be issued by a bank or other surety details of which shall have been submitted in writing to the Authority on or before 31 December 2007. If the Authority raises no objection in writing with reasons within 14 days then the bank or other surety shall be deemed acceptable by the Authority. If the licensee wishes to change to a different bank or another surety, it shall give full written details of the proposed replacement to the Authority who shall within 14 days of receipt of the same notify the licensee in writing of any objection to such proposed replacement whereupon the licensee may either remain with the existing bank or surety or propose a further replacement in the same manner as set out above. If the Authority raises no objection in writing with reasons within 14 days then the bank or other surety shall be deemed acceptable to the Authority.
- 48.4 Notwithstanding any other conditions of this licence:
- (a) upon failure by the licensee to provide a performance bond in accordance with the foregoing provisions of this condition, the Authority may cancel or revoke this licence notwithstanding that the licensee may have embarked on its performance;
 - (b) any rights of or claim by the Authority under the performance bond submitted by the licensee pursuant to this Special Condition, including any replacement thereof, shall be without prejudice to the other rights of the Authority under this licence and of the Chief Executive in Council, the Chief Executive and the Authority under the laws, regulations and Code of Practice affecting

telecommunications in Hong Kong from time to time.

- 48.5 The licensee shall upon demand by the Authority in writing submit proof in a form satisfactory to the Authority by a date specified by the Authority that it has complied with each of the respective Milestones by the respective Deadlines for Compliance as specified in the Annexe to the performance bond shown in Schedule 5. The Authority shall issue a certificate of completion to the licensee in respect of each Milestone completed to the satisfaction of the Authority.

SCHEDULE 1

SCOPE OF THE SERVICE

1. Subject to General Condition 1.4 and Clauses 2 and 3 of this Schedule 1, all internal telecommunications services between fixed points capable of being provided utilising the network as defined in Schedule 2 and the Radiocommunications Installations as defined in Parts (A) and (B) of Schedule 3 (other than telecommunications services the subject of an exclusive licence issued under the Ordinance, a public radiocommunications service licence, a mobile carrier licence, a radio paging system licence or a service subject to licensing under any other Ordinance), including transmission of television and associated sound and data signals for television programme service, including digital television programme services.

 2. (a) Subject to Clauses 2(b) and 2(c), all external telecommunications services between fixed points capable of being provided utilising the Radiocommunications Installations as defined in Parts (B) and (C) of Schedule 3 for carriage of, in the case of –
 - (i) outgoing messages from Hong Kong, messages that originate from the licensee or, where the licensee is a company, from the licensee's holding company, a subsidiary of the licensee or any affiliated company; and
 - (ii) incoming messages to Hong Kong, messages that are intended for the licensee or, where the licensee is a company, for the licensee's holding company, a subsidiary of the licensee or any affiliated company.

 - (b) Where the licensee is an organization, the licensee may send outgoing messages from Hong Kong and receive incoming messages to Hong Kong that relate to the common business or activity of the organization.

 - (c) The licensee shall not connect the Radiocommunications Installations defined in Schedule 3 with any public telecommunication network in Hong Kong except to the extent the Authority may authorize in writing.
-
3. Nothing in this licence authorizes the licensee to provide any external telecommunications services or circuit, except for transmitting messages or receiving

messages, or both, utilizing the Radiocommunications Installations defined in Parts (B) and (C) of Schedule 3 and subject to Clause 2 of this Schedule 1. However, the licensee may provide its customers with access to the external telecommunications services or circuits lawfully operated in the Hong Kong Special Administrative Region.

4. For the purpose of this licence, unless otherwise defined or the context otherwise requires,

“affiliated company” means a company that is a subsidiary of the licensee’s holding company;

“fixed point” means a network termination point and shall include such area within the immediate vicinity of such a point as the Authority may direct in writing, either generally or specifically, to allow limited mobility for access to that point in such manner as the Authority may approve in writing not inconsistent with Clause 1 of this Schedule;

an “external telecommunications service” means a service for communications

- (a) between one or more points in the Hong Kong Special Administrative Region and one or more points outside the Hong Kong Special Administrative Region;
 - (b) between two or more points outside the Hong Kong Special Administrative Region but routed in transit via the Hong Kong Special Administrative Region;
- and

an “external telecommunications circuit” means a telecommunications circuit between any termination point in the Hong Kong Special Administrative Region (including, without limitation, a radiocommunications facility or cable termination facility) and one or more points outside the Hong Kong Special Administrative Region, and any means of telecommunications capable of facilitating such a circuit (but, for the avoidance of doubt, excluding local leased circuits and local switched circuits provided between two points in the Hong Kong Special Administrative Region).

“internal telecommunications service” means a service for communications between points within the Hong Kong Special Administrative Region;

“organization” means a group of persons, businesses or companies engaged in a common business or activity which group was formed for the specific purpose of furthering such common business or activity, and the Authority shall determine the types of messages that relate to the common business or activity having regard to the objects as stated in the organization’s memorandum and articles of association or other relevant documents relating to its establishment;

“company”, “holding company” and “subsidiary” have the same meanings as defined in the Companies Ordinance (Cap.32);

“television programme” has the same meaning ascribed to it by section 2(1) of the Broadcasting Ordinance;

“television programme service(s)” means television programme service(s) licensed under the domestic free television programme service licence(s) held by the licensee; and

“digital television programme service(s)” means television programme service(s) that is/are transmitted in digital form in accordance with the technical standard prescribed in Chapter 8 of the Generic Code of Practice on Television Technical Standards issued by the Broadcasting Authority.

Annexe to Schedule 1

Proposal of the digitization plan submitted by the licensee to the Authority

All statements and representations made to the Authority and the Government by or on behalf of the licensee concerning its proposal in relation to the implementation of digital terrestrial television (DTT) network, including but not limited to the following letters addressed to the Authority:



SCHEDULE 2

DESCRIPTION OF NETWORK

(A) Terrestrial UHF Transmission Network

All such telecommunications installations established, maintained, possessed or used whether owned by the licensee, leased or otherwise acquired by the licensee operating in accordance with the following network plan:



SCHEDULE 3

RADIOCOMMUNICATIONS INSTALLATIONS

(A) For Internal Telecommunications Services



(B) For Internal Telecommunications Services and External Telecommunications Services



(C) For External Telecommunications Services



SCHEDULE 4

DIGITAL NETWORK ROLLOUT

<i>Item</i>	<i>Milestones</i>	<i>Deadlines for Compliance</i>
1.	Commencement of service of the first principal Multiple Frequency Network (MFN) and Single Frequency Network (SFN) station – Temple Hill	31 December 2007
2.	Commencement of service of five other principal MFN and SFN stations:	
(a)	Castle Peak	31 December 2008
(b)	Kowloon Peak	31 December 2008
(c)	Golden Hill	31 December 2008
(d)	Cloudy Hill	31 December 2008
(e)	Lamma Island	31 December 2008
3.	Commencement of service of 23 MFN fill-in stations:	
(a)	6 fill-in stations	31 December 2009
(b)	14 fill-in stations	31 December 2010
(c)	23 fill-in stations	31 December 2011

SCHEDULE 5

THE FORM OF THE PERFORMANCE BOND



SCHEDULE 6

REGULATORY ACCOUNTING AND INFORMATION PROVISION REQUIREMENTS

1. Accounting information according to the practices as directed by the Authority under Special Condition 28 for each service provided under this licence or as specified by the Authority.

SCHEDULE 7

TERMS OF DISCOUNT TO PUBLISHED TARIFFS

1. Prices of service after discount.
2. Duration of discount.
3. Duration of offer.
4. General description of promotion plan including but not limited to eligible customers and tie-in period.
5. Conditions governing premature termination.
6. Others as specified by the Authority.

(Marion Lai)

Telecommunications Authority

Date: 20 December 2007