

Auction of Radio Spectrum in the 1800 MHz Band
for Expansion of Public Mobile Telecommunications Services
-- Second Batch of Questions and Answers

The Telecommunications Authority (the “Authority”) has received questions in relation to the Information Memorandum published on 24 April 2009. The Authority now under paragraph F.2.1 of the Information Memorandum sets out his responses to the questions.

Terms not otherwise defined herein shall have the same meaning ascribed thereto in the Notice issued by the Authority on 24 April 2009 (the “Notice”), or as the case may be, in Appendix E “Glossary of Terms” of the Information Memorandum.

AUCTION ARRANGEMENTS AND LOGISTICS (AL)

AL.5 Regarding the “Expiry Date” in the Letter of Credit, would it possible if we specify an exact date rather than “182 days from the date of issue”?

Ans. The format of the Letter of Credit is indicated in Appendix 7 of Appendix B in the Information Memorandum. “Expiry Date” should be stated as “182 days from the date of issue”.

However, the Authority has no objection if the Bidder or the issuing bank wishes to put the exact date in brackets next to “182 days from the date of issue” for the sake of clarity. In such a case, the applicant has to make sure that the date specified is accurate.

AL.6 In issuing the Letter of Credit, how can I know whether the proposed issuing bank is a Qualifying Bank?

Ans. In order to be a Qualifying Bank, the proposed issuing bank must be an institution holding a full banking licence under Banking Ordinance (Cap.155, Laws of Hong Kong). The information is available in the website of Hong Kong Monetary Authority (<http://www.info.gov.hk/hkma>).

In addition, the proposed issuing bank must have a long term issuer rating which is, or higher than

(a) one or more of the following:

- i) Moody's A2;
- ii) Standard & Poor's A;
- iii) Fitch Ratings' A; or

(b) a rating of a body other than a body listed in subparagraph (a) which, in the opinion of the Authority, is equivalent to one or more of the ratings in that paragraph.

If the proposed issuing bank is not one listed in (a) above, the Bidder should, in advance of its Application, seek the opinion of the Authority, as to whether the rating of the bank is accepted as an equivalent rating.

OTHERS (OT)

OT.2 Where can I get the word format of the Application Form, Bidder Compliance Certificate and Letter of Credit?

Ans. The Application Form, Bidder Compliance Certificate and Letter of Credit were uploaded in the website of OFTA (<http://www.ofta.gov.hk/en/industry/1800/main.html>) on 24 April 2009 and placed just underneath the Information Memorandum. Both PDF format and WORD format are available for download.

**Office of the Telecommunications Authority
19 May 2009**