

**Summary of the competition issues identified by the CA in relation to the Proposed Transaction and the revised commitments accepted by the CA to address those issues**

The CA has identified the following two competition issues that would likely arise from the Proposed Transaction –

- (a) the difficulties of competing fixed network operators in accessing those buildings which are not exclusively for residential use and where both merging parties have installed their own in-building telecommunications systems therein (“Relevant Buildings”) in order to compete with the merged entity, and
- (b) the risk of the downstream rivals which have entered into wholesale agreements with the merging parties (“Relevant Wholesale Customers”) becoming captive customers of the merged entity during a transitional period and hence the weakening of their ability to compete with the merged entity during that period.

2. The revised commitments accepted by the CA to address the competition issues identified include the following two main components

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- (a) the merged entity will facilitate access by a relevant operator to any element(s) (rather than just blockwiring circuits) of its in-building telecommunications system of a Relevant Building for the purpose of enabling such operator to provide fixed telecommunications services to non-residential end-customers within the Relevant Building; and
- (b) the merged entity will continue to provide wholesale services to the Relevant Wholesale Customers based on existing or no less favourable terms and conditions for three years (instead of two years) from the effective date of the revised commitments.