

Yau Nam Kee Construction Company Limited

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丘南記建築有限公司

17 May 2016

Office of the Communications Authority
29/F, Wu Chung House,
213 Queen's Road East
Wan Chai, Hong Kong

By Fax: 2803 5112

Attention: Head, Regulatory 4

Dear Sirs,

**Re: Consultation paper for 900 MHz and 1800 MHz Bands issued by the
Communications Authority ("CA") on 3 Feb 2016**

Our company is pleased to submit our views on the captioned Consultation Paper as follows:

There is no doubt that the mobile market in Hong Kong is already very competitive. As acknowledged by OFCA in the introduction of the Consultation Paper (pg.3), "Hong Kong has one of the most competitive mobile telecommunications markets in the world, with four mobile network operators serving a population of 7.3 million, through the use of 552 MHz of frequency spectrum in the 800/900 MHz, 1800 MHz, 1.9-2 GHz, 2.3 GHz and 2.5/2.6 GHz bands." Hence, competition is already keen enough and it is not clear to us whether there are any convincing research studies to support the view that the current competition is ineffective.

On another note, if we are to introduce additional players into the market, we would like to know how the quality of mobile service of the incumbent operators can be guaranteed, considering that there will be less spectrum to serve the same number of customers and the customers' mobile data and voice usage will be squeezed into a smaller amount of spectrum. Will the congestion immediately worsen the quality of the mobile service and slow down the data speed and affect the quality of calls?

Also, we are concerned that this will cause disturbance to the customers as they will be forced to change service providers since the incumbent operators (with reduced amount of spectrum) may not be able to cater for the original number of subscribers. This will likely be the effects of Options 2 and 3 because if mobile companies are to maintain the current quality of mobile service for their customers, they may have to terminate the contracts of, or not renew the contracts with, some of their customers. Customers will then be forced to look for new service providers.

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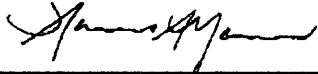
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Any option other than Option 1 will not be conducive to further development of the mobile industry in Hong Kong. It is likely that taking away of spectrum will discourage the incumbent operators to continue investing in their network and services. This serves as disincentive to the introduction of further innovative services.

Because of the foregoing, we support Option 1 which gives the incumbent operators the first right of refusal.

Yours faithfully,
For and on behalf of
Yau Nam Kee Construction Co., Ltd.



Samuel S M Yau
Director