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213 Queen's Road East,
Wan Chai,
Hong Kong

Attn: Head, Regulatory 4

E-mail: consult-900-1800MHz@ofca.gov.hk

13 May 2016

Dear Sir/Madam,

Response to the Consultation on Arrangements for the Frequency Spectrum in the 900 MHz and 1800 MHz upon expiry of Existing Assignments for Public Mobile Telecommunications Services and the Spectrum Utilisation Fee

We are writing to express our view on the subject matter.

We understand that there are currently 3 options, namely:

Option 1: Full-fledged administratively-assigned approach

Option 2: Full-fledged market-based approach

Option 3: Hybrid administratively-assigned cum market-based approach

In our opinion, Option 1 would be the best approach.

First of all, under Option 1, service continuity of the mobile network can be ensured as the incumbent spectrum assignees would be able to continually provide services to public without any need for migration/configuration of their existing infrastructure. We believe that the option 1 can provide the incumbent spectrum assignees with a stable environment for their operations and further investment.

However under Option 2 & 3, if the incumbent spectrum assignees could not get hold of their existing spectrum, the services continuity may then be affected. In the worst-case scenario, both of the data and voice mobile services could be affected. As the usage of mobile network (both data and voice) is very intensive in Hong Kong, especially in places like MTR, airport and major shopping malls the instability of data and voice mobile services would affect both commercial operation and consumer daily usage. It is possible that this kind of disaster would cause public discontentment and should be avoided by all means.

Moreover, Option 2 & 3 may induce high Spectrum Utilization Fee, which in turn causes the service providers charging higher fees to consumer. At present mobile charge in Hong Kong is generally lower comparing to other cities in the world. If the SUF is increased

significantly, service providers would be forced to increase their charges causing the general consumers to suffer.

Thank you for your time.

Regards,

Victor Share

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Chief Executive Officer

Macroview Telecom Ltd.