

13th September 2020

Dear Sir/Madam,

Comment on the Consultation Paper on Arrangements for Frequency Spectrum in the 850 MHz Band upon Expiry of the Existing Assignment for Public Mobile Telecommunications Services and the Related Spectrum Utilisation Fee

We, Comba Telecom (HKEX: 2342), are a global supplier of infrastructure, wireless enhancement, ICT and smart solutions to mobile network operators and enterprises to enhance and extend their wireless communications networks and smart city systems.

We are pleased to provide our views and comments on the various questions raised in the consultation paper issued by the Communications Authority and the Secretary for Commerce and Economic Development on 19th August 2020 on “Arrangements for Assignment of the Spectrum in the 600 MHz and 700 MHz Bands for the Provision of Public Mobile Services and the Related Spectrum Utilization Fee” as follows:

PROPOSED RE-ASSIGNMENT ARRANGEMENTS

Question 1: Do you have any views on re-assigning the spectrum in the 850 MHz Band through an auction open for all interested parties?

Response 1: Since the spectrum available in the 850 MHz band is extremely limited compared with the other spectrum available for 2G/3G/4G/5G deployment, it will not be cost efficient for a non-incumbent mobile network operator to bid the spectrum and invest in the infrastructure. Even if the non-incumbent mobile network operator successfully bid this spectrum, it may tend to share the spectrum and the infrastructure with one of the incumbent mobile network operators. For this reason, we believe the assignment of the frequency by way of auction is still the best practice but the participants of the auction should be limited to the incumbent mobile network operators.

Question 2: Do you have any views on the proposed re-assignment of the spectrum concerned as a single frequency block of bandwidth of 2 x 7.5 MHz?

Response 2: In view of the fact that the spectrum concerned is extremely limited, we also suggest re-assigning the spectrum concerned as a single frequency block of bandwidth of 2 x 7.5 MHz.

Question 3: Do you have any views on the proposed format and timing of the auction?

Response 3: We have no further comment on the proposed format and timing of the auction.

PROPOSED LICENSING ARRANGEMENTS

Question 4: Do you have any views on the adoption of a technology neutral approach for the use of spectrum in the 850 MHz Band in any new assignment which follows the expiry of the existing assignment?

Response 4: Due to the long range radio propagation characteristics for the 850 MHz, the 850 MHz band is particularly suitable for the provision of mobile network coverage in 2G, 3G, 4G or 5G. Depending the strategies of the mobile network operators, the operators may adopt a configuration that may employ this 850 MHz band in the most effective and efficient way. Thus, we suggest that a technology neutral approach should be employed for this 850 MHz Band in any new assignment which follows the expiry of the existing assignment.

Question 5: Do you have any views on the proposed network and service rollout obligations, as well as the proposed imposition of a performance bond on the successful bidder?

Response 5: With the view to encourage the effective and efficient use of this “excellent” spectrum in the 850 MHz band and to promote investment in the mobile communications industry, we are of the opinion that the successful bidders should be required not to rent or share all or any part of the additional spectrum to any other incumbent mobile network operators, at least, in the first five years of the validity period in addition to the imposition of a performance bond on the successful bidder.

SPECTRUM UTILISATION FEE

Question 6: Do you have any views on the proposed arrangement in relation to SUF above?

Response 6: We have no further comment on the setting and collection of the SUF.

Yours faithfully,

Comba Telecom Limited

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