

**LICENCE TO PROVIDE
FACILITIES-BASED OPERATIONS
GRANTED BY THE INFO-COMMUNICATIONS DEVELOPMENT
AUTHORITY OF SINGAPORE TO
CHINA TELECOM (SINGAPORE) PTE LTD
UNDER SECTION 5 OF THE
TELECOMMUNICATIONS ACT (CHAPTER 323)
ON 12 JUNE 2008**

ISSUED ON 12 JUNE 2008

TABLE OF CONTENTS

PART I: THE LICENCE

- 1. Period of Licence**
- 2. Payment of Licence Fee**
- 3. Licence is not Transferable**
- 4. Description of Systems and Services**
- 5. Licence Application Proposals**
- 6. Performance Bond**

PART II: BASIC OBLIGATIONS OF LICENSEE

- 7. Public Emergency Call Services**
- 8. Public Maritime Emergency Services**
- 9. Co-operation with Civil/Public Bodies**
- 10. Provision of Directory Enquiry Services**
- 11. Provision of Integrated Printed Directories**
- 12. Integrated Directory and Directory Enquiry Services**

PART III: TECHNICAL OBLIGATIONS

- 13. Use of Telecommunication Equipment in the Systems**
- 14. Operation of Radiocommunication Stations**
- 15. Use of Radio Frequencies**
- 16. Assignment of Numbers**

PART IV: ACCESS AND INTERCONNECTION OBLIGATIONS

- 17. Requirements to Provide Access**
- 18. Connection to Other Systems**
- 19. Arrangements for Connection to Systems**
- 20. Changes to Systems**
- 21. Infrastructure Sharing and Deployment**

PART V: SERVICE OBLIGATIONS

- 22. Price Control/Tariffing Arrangements/Quality of Service Standards**
- 23. Publication of Charges, Terms and Conditions**
- 24. Confidentiality of Subscriber Information**

PART VI: OTHER OBLIGATIONS

- 25. Codes of Practice**
- 26. Number Portability**
- 27. Accounting Separation**
- 28. Restriction on Undue Preference and Undue Discrimination**
- 29. Restriction Against Anti-Competitive Arrangements**
- 30. Restriction on Exclusive Arrangement for International Services**
- 31. Contracts with Third Parties to Operate or Provide Licensed Systems or Services**
- 32. Management Arrangements**
- 33. Direction by IDA**
- 34. Dispute Resolution**
- 35. Provision of Information to IDA**
- 36. Participation in Emergency Activities**
- 37. International Obligations**

PART VII: SUSPENSION, VARIATION AND TERMINATION

- 38. Penalty Framework for Breach of Licence Conditions**
- 39. Variation of Terms of Licence**
- 40. Suspension /Cancellation**
- 41. Termination of Licence**
- 42. Rights upon Termination, Suspension or Cancellation**
- 43. Exception and Limitations on Obligations**
- 44. Compliance with the Law**
- 45. Governing Law**
- 46. Service of Notices**
- 47. Severability**

SCHEDULE OF INTEPRETATIONS

- SCHEDULE A - THE SYSTEMS**
- SCHEDULE B - THE SERVICES**
- SCHEDULE C - THE SPECIFIC TERMS AND CONDITIONS**
- SCHEDULE D - PERFORMANCE BOND**

**LICENCE TO PROVIDE
FACILITIES-BASED OPERATIONS
GRANTED BY THE INFO-COMMUNICATIONS DEVELOPMENT
AUTHORITY OF SINGAPORE TO
CHINA TELECOM (SINGAPORE) PTE LTD
UNDER SECTION 5 OF THE
TELECOMMUNICATIONS ACT (CHAPTER 323)
ON 12 JUNE 2008**

PART I: THE LICENCE

The Info-communications Development Authority of Singapore (hereinafter referred to as "IDA"), in exercise of the powers conferred on it under Section 5 of the Telecommunications Act (Chapter 323) (hereinafter referred to as "the Act") hereby grants to China Telecom (Singapore) Pte Ltd (hereinafter referred to as "the Licensee") a licence to establish, install and maintain the telecommunication systems specified in Schedule A (hereinafter referred to as "the Systems"); to operate and provide the telecommunication services specified in Schedule B (hereinafter referred to as "the Services") subject to the terms and conditions set out herein; and the specific terms and conditions set out in Schedule C.

1 Period of Licence

- 1.1 The Licence shall enter into force on the date hereof and shall be valid for a period of 15 years.
- 1.2 The Licence may be further renewed for such period as IDA thinks fit and subject to such terms and conditions as may be specified by IDA under Section 5 of the Act.

2 Payment of Licence Fee

- 2.1 The Licensee shall pay to IDA an annual fee which is 1% of the annual audited gross turnover (AGTO) based on the provision of the services during the Licensee's financial year, subject to a minimum of \$100,000.
- 2.2 The Licensee shall pay the annual licence fee within 2 weeks of the grant of the Licence. IDA shall forfeit the fees payable under this Condition if the Licensee withdraws its acceptance of the Licence after the award of the Licence; or the Licence is terminated or cancelled at any time during the term of the Licence.
- 2.3 For the first year of operation, the minimum annual licence fee of \$100,000 shall be payable upon the grant of the Licence and shall be adjusted at the end of the Licensee's financial year based on the Licensee's audited accounts submitted to IDA.
- 2.4 For subsequent years, the annual licence fee, based on the last available audited accounts, shall be paid in advance on the first day of the Licensee's financial year, subject to the minimum fee of \$100,000 and subject to adjustment when more recent audited accounts are available.
- 2.5 In the event of a default by the Licensee in the payment of any fee when due under the Licence, the Licensee shall pay to IDA interest on the amount from time to time outstanding in respect of the overdue sum from the period beginning on its due date and ending on the date of its receipt in full by IDA, which interest shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed and a 365 day year. The applicable rate of interest shall be the average of the prevailing prime lending rates of the banks and finance companies quoted and published by the Monetary Authority of Singapore.
- 2.6 The Licensee shall submit to IDA an audited AGTO statement, not later than 6 months after the end of each financial year.

2.7 In the event that the Licensee fails to submit its audited AGTO statement within the timeframe stipulated in condition 2.6, the Licensee shall be under a continuing obligation to submit the same immediately notwithstanding any penalties imposed by IDA for breach of condition 2.6 or this condition 2.7.

3 Licence is not Transferable

3.1 The Licensee shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges under this Licence to any person or persons except with the prior approval of IDA

3.2 Any such approval shall be given subject to terms and conditions, which IDA at its discretion may impose.

4 Description of Systems and Services

4.1 The Licensee shall maintain and operate the Systems as described in Schedule A for the delivery and transmission of the Services as described in Schedule B. The Licensee shall not operate or provide any system or service not described in Schedules A and B except with the prior approval of IDA.

4.2 Where the Licensee wishes to introduce a new system and/or service or makes changes to any system and/or service, the Licensee shall provide IDA such technical and/or non-technical information as may be required by IDA within such period as may be specified by IDA.

5 Licence Application Proposals

- 5.1 Without prejudice to any of the Licensee's obligations under this Licence, the Licensee shall abide with its proposals on network rollout, range of services, quality of service standards, pricing and service provisioning schemes and any other commitments as submitted to IDA in its licence application.

6 Performance Bond

- 6.1 The Licensee shall within 28 days following the award of the Licence, provide IDA with a performance bond to secure the obligations of the Licensee under Schedule D in the form of a Banker's Guarantee made in favour of IDA. IDA will specify in detail the terms and conditions of the performance bond for the Licensee based on the Licensee's application commitments and any additional terms and conditions deemed necessary by IDA.
- 6.2 The Licensee shall not be released from any of its obligations under the Licence by any breach or forfeiture of the performance bond.

PART II: BASIC OBLIGATIONS OF LICENSEE

7 Public Emergency Call Services

7.1 The Licensee shall ensure that

- (a) any person through customer premises equipment; and
- (b) any person through its public payphones

may at any time and without charge, contact the relevant police service (namely 999 or its substitute number), the fire and ambulance services (namely 995 or its substitute number) and any other national emergency services which the Minister may from time to time designate, for the purpose of notifying them of any emergency.

8 Public Maritime Emergency Services

8.1 The Licensee shall ensure that it is possible for any person to contact at any time and without charge, distress, urgency and safety services for shipping for the purpose of notifying them of an emergency and shall, subject to fair and proper payment by the relevant Government ministry, department, statutory board or official agency, provide the necessary facilities for distress, urgency and safety services in accordance with the Radio Regulations of the International Telecommunications Union.

9 Co-operation with Civil/Public Bodies

9.1 The Licensee shall co-operate with the relevant Government ministries, departments, statutory boards or official agencies in all way possible for the provision of national security and emergency services.

10 Provision of Directory Enquiry Services

10.1 The Licensee shall provide, on request, to any person to whom it provides telecommunication services, directory enquiry services based on an integrated customer database. IDA reserves the right to require the Licensee to obtain IDA's prior written approval on any charges it intends to

levy for the provision of the directory enquiry services and the Licensee shall comply with such requirement imposed.

- 10.2 IDA reserves the right to direct the Licensee to provide directory enquiry services for subscribers of other licensees.

11 Provision of Integrated Printed Directories

- 11.1 IDA reserves the right to direct the Licensee to provide integrated directories for all subscribers at no charge (except with the approval of IDA) and at annual intervals or any other intervals to be agreed with IDA.

- 11.2 The Licensee shall, if necessary, and subject to charges, terms and conditions to be agreed with other licensees, provide integrated directories for their subscribers. In the event that agreement cannot be reached, the matter shall be determined by IDA, whose decision is final.

12 Integrated Directory and Directory Enquiry Service

- 12.1 The Licensee shall exchange all relevant customer data with other licensees free-of-charge for the purpose of providing integrated directories and providing integrated directory enquiry services.

PART III: TECHNICAL OBLIGATIONS

13 Use of Telecommunication Equipment in the Systems

- 13.1 Prior to the operation of the Systems, the Licensee shall in accordance with Section 9 of the Act, submit for IDA's approval all telecommunication infrastructure, technology and any telecommunication equipment which is part of the Systems or which is to be connected to the Systems.
- 13.2 The Licensee shall seek IDA's prior approval from time to time for any other telecommunication equipment to be used in the operation of the Systems for which the approval has not been granted under Section 9 of the Act, whether such other equipment is in addition to or intended to replace the existing equipment or part thereof.

14 Operation of Radio-communication Stations

- 14.1 The Licensee shall apply for all necessary licences under the Telecommunications (Radio-communication) Regulations for the operation of any radio-communication stations comprised in the Systems and shall abide by any conditions imposed thereunder, including the payment of station licence fees and frequency fees for the allocation and management of frequencies by IDA.
- 14.2 Any change to the location, equipment, frequencies, emissions, power, polarisation, aerial characteristics and other technical parameters of any radio-communication station comprised in the Systems shall be submitted in writing for IDA's prior approval.
- 14.3 The height of the antenna of any radio-communication station comprised in the Systems shall not exceed 50 metres above mean sea level (AMSL). Where necessary however, IDA may grant conditional approval for the Licensee to exceed the prescribed height level provided that the Licensee shall take all necessary steps, at its own cost, to ensure that its network will not cause interference to or receive interference from other authorised networks.

15 Use of Radio Frequencies

- 15.1 The Licensee shall, in its application to IDA, justify the use of radio frequencies and shall, subject to payment of the required frequency fees, be provided with the necessary frequencies to enable the effective and efficient operation of the Systems and the provision of the Services by the Licensee.
- 15.2 The Licensee shall take all necessary steps to ensure that the use of its Systems is safe and does not cause interference to other existing radio-communication networks operating in the same band or in other bands. The Licensee shall also take appropriate measures to ensure that its Systems is adequately protected from interference that may be caused by networks operating in the same band or in other bands.

16 Assignment of Numbers

- 16.1 The Licensee shall comply with IDA's National Numbering Plan and IDA's Framework and Guidelines on the usage, allocation and assignment of numbers. The Licensee shall, in its submission to IDA, justify the use of numbers and shall, subject to payment of the required fees for Golden Numbers, be provided with the necessary numbers to enable the effective and efficient operation of the Systems and provision of Services. The Licensee shall take all necessary steps to ensure that the numbers allocated are efficiently utilised.
- 16.2 Any telephone number(s) assigned to the Licensee is the property of IDA and the Licensee shall have no proprietary right to the telephone number(s) assigned. The Licensee shall take the necessary steps to ensure that the number(s) allocated is efficiently utilised.
- 16.3 IDA reserves the right to alter and/or reallocate any telephone number(s) given to the Licensee at any time, upon written notice, without being liable for any loss or inconvenience directly or indirectly attributable to the alteration or reallocation of such telephone number(s).

PART IV: ACCESS AND INTERCONNECTION OBLIGATIONS

17 Requirement to Provide Access

- 17.1 The Licensee shall provide to any person licensed by IDA to provide telecommunication services in Singapore, means of access to the Systems.
- 17.2 The Licensee may, with the prior approval of IDA, impose an access charge upon any person licensed by IDA to provide telecommunication services in Singapore through or with the use of the Systems.
- 17.3 The Licensee shall comply with IDA's Interconnection & Access Framework, Arrangements and Requirements, including Codes of Practice, which IDA may from time to time, issue to the Licensee.

18 Connection to Other Systems

- 18.1 The Licensee shall connect to the Systems on request and at appropriate connection points, which it shall provide for this purpose:
- (a) any equipment approved or exempted from approval by IDA for connection to the Systems; and
 - (b) any public or private telecommunication systems approved or licensed by IDA which systems also meet any other requirements, which IDA may from time to time impose.
- 18.2 Notwithstanding Condition 18.1, the Licensee shall cease to connect or refuse to connect to the System any equipment or system that:
- (a) has not been approved, licensed or exempted from approval or licensing by IDA; or

- (b) no longer meets the requirements for approval or licensing by IDA, in respect of which IDA has issued a notice to that effect to the person who has under his control such equipment or system.

18.3 The terms and conditions for the connection of equipment or systems to the Systems of the Licensee shall be determined by agreement between the Licensee and the owner or operator of the equipment or system except in so far as the conditions are prescribed in the Act or in this Licence. In the event that the parties cannot reach an agreement, the matter shall be determined by IDA whose decision shall be final.

19 Arrangements for Connection to Systems

19.1 The Licensee shall not impose technical or other conditions or employ any arrangements for the connection of equipment or systems to the Systems other than those set by IDA. In particular, the Licensee shall not, except where IDA is satisfied that it is reasonable, exercise any Intellectual Property Rights which it owns or is licensed to use in a manner which prevents or inhibits the connection of approved equipment or systems to the Systems.

19.2 In this Condition, 'Intellectual Property Rights' means, without prejudice to its generality, the rights to patents, trade marks, designs, know-how and copyright.

19.3 The Licensee is required to comply with the following technical requirements and safeguards:

- (a) The Licensee shall not manipulate the Calling Line Identity of the original calling party and the original calling party Calling Line Identity shall be passed on in the conveyance of a call accordingly.

- (b) The Licensee shall not, in the handling of outgoing traffic, manipulate the access code dialled by the calling party.

- (c) The A-bit of the Forward Call Indicator of the Initial Access Message on the ITU-T Signalling System Number 7 ISDN User

Part signalling should be set to the value “1” to identify an international incoming call for systems inter-working. Where the Licensee operates a system which does not support ITU-T Signalling System Number 7 signalling, then the Licensee shall route such international incoming calls on specified circuits.

20 Changes to Systems

20.1 The Licensee shall give notice in writing to IDA and shall notify all parties affected of any changes it intends to implement in the specification or performance of the Systems which would require changes to any equipment or systems connected to the Systems or which would have the effect of making such connections inoperable. The period of notice given shall be appropriate to the likely impact on the parties affected and on connected equipment or systems and shall be decided in consultation with IDA.

20.2 Where IDA considers that a change in the Systems referred to in Condition 20.1 would cause another person licensed to provide telecommunication services in Singapore to make major changes in its own systems in order to connect its systems to the Systems, and notifies the Licensee thereof, the Licensee shall obtain the prior approval of IDA before implementing such a change.

21 Infrastructure Sharing and Deployment

21.1 The Licensee shall comply with IDA’s Framework for Facilities Sharing and Deployment, including Codes of Practice.

21.2 Where IDA considers it necessary for the Licensee to share infrastructure with other telecommunication licensees in designated areas in the national and/or public interest or otherwise, IDA shall inform the licensees accordingly so that licensees can make the necessary arrangements before submitting their infrastructure sharing plans to IDA for approval. The Licensee shall share infrastructure whenever and wherever mandated by IDA in accordance with the Framework for Facilities Sharing and Deployment, including Codes of Practice.

PART V: SERVICE OBLIGATIONS

22 Price Control/Tariffing Arrangements/Quality of Service Standards

- 22.1 IDA reserves the right to establish price control arrangements and Quality of Service Standards for the Services provided by the Licensee with which the Licensee shall comply.
- 22.2 IDA reserves the right to require the Licensee to maintain separate financial data and accounts for the Services and shall submit on request these data and accounts to IDA for inspection.
- 22.3 IDA reserves the right to require the Licensee to file its schemes of service, including non-price terms and conditions for the provisioning of services and price schemes with IDA before commercial launch or announcement of such services.

23 Publication of Charges, Terms and Conditions

- 23.1 The Licensee shall publish information about the Services it provides, covering inter alia, descriptions and pricing of the services available, the terms and conditions thereof, and the provision of fault repair and any other commercial and technical services.

24 Confidentiality of Subscriber Information

- 24.1 The Licensee shall respect and ensure the confidentiality of subscriber information, especially for ex-directory numbers except under the following circumstances:
- (a) where sharing of information with other licensee is necessary to detect, prevent or investigate into fraud;
 - (b) where disclosure is deemed necessary by IDA or the relevant law enforcement or security agencies to carry out their functions or duties.

PART VI: OTHER OBLIGATIONS

25 Codes of Practice

- 25.1 The Licensee shall comply with the Codes of Practice issued by IDA as well as any additional or supplemental guidelines, which IDA may issue from time to time to the Licensee.

26 Number Portability

- 26.1 The Licensee shall implement number portability from commencement of service subject to IDA's number portability requirements and charging principles.
- 26.2 The Licensee shall comply, at its own cost, with any requirements and guidelines established by IDA on number portability to be implemented by the Licensee.

27 Accounting Separation

- 27.1 The Licensee shall comply with the practices, principles and requirements set out in the Accounting Separation Guidelines established by IDA, and any additional or supplemental guidelines issued by IDA from time to time.

28 Restriction on Undue Preference and Undue Discrimination

- 28.1 The Licensee shall not show undue preference towards, or exercise undue discrimination against any person or class of persons in, inter alia, the price and performance characteristics of the services provided or the terms and conditions under which the services are provided. In particular, the Licensee shall not give any undue preference to, or receive an unfair advantage from, a business carried on by it or an associated or affiliated company, service or person, if IDA is of the opinion that the Licensee's competitor could be placed at a significant competitive disadvantage or that competition would be prevented or substantially restricted.

29 Restriction Against Anti-Competitive Arrangements

29.1 The Licensee shall not enter into any agreement or arrangement, whether legally enforceable or not, which shall in any way prevent or restrict competition in relation to the operation of the Systems or provision of Services by the Licensee or any other telecommunication system and/or services licensed by IDA.

30 Restriction on Exclusive Arrangement for International Services

30.1 The Licensee shall not enter into any agreement or arrangement with a person running an Authorised Overseas System on terms or conditions which unfairly preclude or restrict, to the detriment of the national and/or public interest, the provision of any international telecommunication services by any person licensed by IDA to provide those services.

30.2 In this Condition, “Authorised Overseas System” means a system, which is recognised by the Government or any competent authority of a foreign country as authorised to provide telecommunication services by or through that system.

30.3 The Licensee shall comply with IDA’s requirements on the international settlement regime and seek IDA’s endorsement and/or approval to the arrangements reached with other licensees, before implementation

31 Contracts with Third Parties to Operate or Provide Licensed Systems or Services

31.1 Where the Licensee intends to enter into any joint venture, association, contract or arrangement with a third party, the effect or purported effect of which would be to permit a person who is not originally a party to this Licence to share in the benefits of, or otherwise gain any rights or privileges under this Licence, or which would otherwise result in a breach or circumvention of Condition 3.1, the Licensee shall seek IDA’s approval for the joint venture, association, contract or arrangement in question.

- 31.2 IDA may direct at any time the Licensee to effect any changes it deems necessary in the terms and conditions of the joint venture, association, contract or arrangement referred to above.
- 31.3 If the Licensee fails to effect the necessary changes referred to in Condition 31.2, IDA may direct the Licensee to terminate any such joint venture, association, contract or arrangement.
- 31.4 Nothing in Condition 31.1 shall be construed as requiring the Licensee to obtain the approval of IDA for the appointment of agents or for the employment of independent contractors or sub-contractors to carry out any works or provide any services which enable the Licensee to discharge its duties and obligations under this Licence provided that the Licensee shall be liable to IDA for any act, omission, default, neglect or otherwise of the agents and independent contractors or sub-contractors in carrying out any such works or providing any such services.

32 Management Arrangements

- 32.1 The Licensee shall seek IDA's written approval at least one (1) month in advance of any change in the appointment of its Chairman, Board of Directors or Chief Executive Officer and shall for this purpose provide IDA with the details of any such change and any further information requested by IDA.

33 Direction by IDA

- 33.1 The Licensee shall strictly and without any undue delay comply with any directions, which IDA may from time to time issue in exercise of its powers, functions or duties under the Act, or in this Licence.
- 33.2 IDA may, by notice in writing to the Licensee amend, vary or revoke wholly or in part any directions given by it pursuant to Condition 33.1.
- 33.3 Unless otherwise expressly specified, the Licensee shall safeguard the secrecy of all directions given by IDA. The Licensee shall not during the

currency and after the expiry, termination or cancellation of the Licence disclose or permit the disclosure of any of the said directions to any person not authorised to receive the same without the prior written consent of the Chief Executive Officer of IDA. The Licensee shall further take all reasonable precautions in dealing with the said directions so as to prevent any unauthorised person from having access to the same.

34 Dispute Resolution

34.1 In the event that the Licensee fails to reach an agreement with other telecommunication licensees on matters relating to the requirements of this Licence or the Act, the matter shall be determined by IDA whose decision shall be binding on all parties concerned.

34.2 IDA reserves the right to levy a fee for work undertaken in this respect.

35 Provision of Information to IDA

35.1 The Licensee shall provide IDA with any document and information within its knowledge, custody or control, which IDA may, by notice or direction require. The Licensee undertakes to IDA that any such document and information provided to IDA shall be true, accurate and complete

35.2 For the purposes of ensuring the Licensee's compliance with the conditions of the Licence, IDA may from time to time require the Licensee to arrange at its own expense, for a separate and independent audit of its activities. The Licensee shall, at IDA's request, submit the audited accounts and reports prepared under this Condition 35.2 to IDA for inspection and verification.

35.3 The Licensee shall keep in strict confidence any document and information furnished to or so required by IDA pursuant to Condition 35.1, as well as the fact that IDA has requested for such document and/or information.

35.4 IDA may use and disclose any such document or information provided to IDA pursuant to Condition 35.1 as IDA deems fit. Where IDA proposes to disclose any document or information obtained pursuant to Condition 35.1

and IDA considers that the disclosure would result in the release of information concerning the business, commercial or financial affairs of the Licensee or which disclosure would or could reasonable be expected to adversely affect the Licensee's lawful business, commercial or financial affairs, IDA will give the Licensee a reasonable opportunity to make representations on the proposed disclosure before IDA makes a final decision on whether to disclose the information.

36 National Emergency and Security

36.1 The Licensee shall, where directed by IDA, participate in any emergency activities or preparations thereof in collaboration with other relevant agencies, organisations and Government ministries and departments, in accordance with the written law in Singapore.

36.2 The Licensee shall, unless expressly notified, keep in strict confidence any information or document pertaining to Condition 36.1 as well as the fact that IDA has requested the Licensee to participate in such emergency activities and preparations.

36.3 IDA, may from time to time, require the Licensee to submit to IDA for approval any changes to any telecommunication system, installation or plant and any service plans, together with such technical and non-technical information as may be required by IDA, at least one month before such change is intended to be implemented.

37 International Obligations

37.1 The Licensee shall exercise its rights and powers and perform its duties and obligations under this Licence in a manner, which is consistent with the Government's obligations under any Convention, Agreement, Arrangement or Treaty to which Singapore is or shall become a party.

37.2 IDA shall notify the Licensee from time to time of any such Convention, Agreement, Arrangement or Treaty to which Condition 37.1 applies for its compliance.

PART VII: SUSPENSION, VARIATION AND TERMINATION

38 Penalty Framework for Breach of Licence Conditions

38.1 Where the Licensee breaches any licence condition, IDA may impose a fine on the Licensee in accordance with Section 8 of the Act. IDA may also forfeit any monies payable under the performance bond as stated in Condition 6.

39 Variation of Terms of Licence

39.1 Pursuant to Section 7(1) of the Act, IDA may vary or amend any of the terms of this Licence by giving the Licensee at least one month's notice in writing.

40 Suspension/Cancellation

40.1 IDA may, in any of the events specified in Section 8 of the Act, by notice in writing given to the Licensee, suspend or cancel the Licence in whole or in part, or impose a fine in such amounts IDA thinks fit.

41 Termination of Licence

41.1 In the event that the Licensee desires to terminate its licence or any of the Services it operates, the Licensee shall seek IDA's approval in writing at least six months in advance.

42 Rights upon Termination, Suspension or Cancellation

42.1 Any termination, suspension or cancellation of the Licence shall be without prejudice to the rights and remedies which may accrue to the Licensee or IDA under the Licence or any written law as at the date of termination except that the Licensee shall not have the right to seek a refund of the licence fee or any other fee paid in advance.

43 Exceptions and Limitations on Obligations

43.1 The Licensee shall not be held to have failed to comply with its obligations in this Licence if and to the extent that IDA is satisfied that it is prevented from complying with those obligations for the following reasons:-

- (a) malfunction or failure of any equipment where IDA determines that reasonable measures were taken beforehand;
- (b) the act or omission of any national authority, local authority or international organisation; or
- (c) any other factor, which, in the opinion of IDA is beyond the Licensee's reasonable control and which notwithstanding the exercise by it of reasonable diligence and foresight, the Licensee was unable to prevent or overcome.

Provided that the Licensee shall use all reasonable endeavours to terminate with all reasonable speed the factor(s) preventing the carrying out of its obligations and shall resume the performance of its obligations as soon as the factor(s) which prevented the performance thereof ceases or abates.

44 Compliance with the Law

44.1 The Licensee shall observe and comply with the Act, the Telecommunications (Radio-communication) Regulations, the International Telecommunication Convention and any other treaty or convention to which Singapore is a party.

44.2 Nothing in this Licence shall be taken as discharging the Licensee from its obligations to obtain any other licences, permits or approvals that may be required under any written law in force in Singapore.

45 Governing Law

45.1 This Licence shall be governed by and construed according to the law of Singapore.

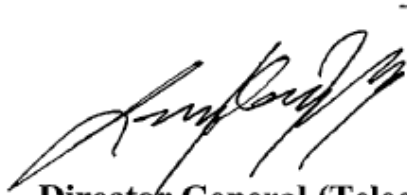
46 Service of Notices

46.1 All notices under this Licence shall be in writing and shall be deemed to have been given if sent by hand or pre-paid post or by facsimile to the Licensee's registered address as lodged in the Registry of Companies and Businesses.

47 Severability

47.1 Every condition and part thereof shall be construed as a separate and severable provision so that if any Condition and part thereof is held invalid, unenforceable or illegal for any reason, the remainder of the Licence shall remain in full force in every respect.

Dated 12 June 2008

A handwritten signature in black ink, appearing to be 'S. S. S.', written in a cursive style.

Director General (Telecoms)

Info-communications Development Authority of Singapore

SCHEDULE OF INTERPRETATION

In this Licence, unless the context otherwise requires:

- (a) Words importing the singular or plural shall be deemed to include the plural or singular respectively;
- (b) The titles to the provisions of this Licence are for convenience of reference only and are not part of this Licence and shall not in any way affect the interpretation thereof;
- (c) Any word or expression used in this Licence shall have the same meaning as it has in the Act;
- (d) Any reference in this Licence to the Act shall include any regulations made thereunder;
- (e) Any reference in this Licence to any regulations made under the Act shall include any regulations made under the Telecommunications Act 1999 until such regulations are revoked or repealed by subsidiary legislation made under the Act;
- (f) Any reference in this Licence to a person shall be deemed to include natural and legal persons;
- (g) Any reference to monetary amounts in this Licence shall be deemed to be denominated in Singapore Dollars; and
- (h) Any reference to any Guidelines, Codes or Framework or other rules or documents promulgated by IDA shall be read as reference to such as may be amended from time to time.

SCHEDULE A

**DESCRIPTION OF THE TELECOMMUNICATION SYSTEMS TO BE
ESTABLISHED BY CHINA TELECOM (SINGAPORE) PTE LTD**

[Deleted]

SCHEDULE B

**DESCRIPTION OF THE TELECOMMUNICATION SERVICES TO BE
PROVIDED BY CHINA TELECOM (SINGAPORE) PTE LTD**

[Deleted]

SCHEDULE C
(Where applicable)

**SPECIFIC TERMS AND CONDITIONS FOR
INTERNATIONAL SIMPLE RESALE**

1 Metering

- 1.1 The licensee shall take all reasonable steps to ensure that any metering equipment used in connection with the services operated under the Licence is accurate and reliable.

- 1.2 Under the written request of IDA, the licensee shall conduct tests on metering equipment to assess its accuracy, reliability and conformity to the technical standards, if any, as specified by IDA. The licensee shall submit the test results to IDA within 14 days after the date of the test or such other longer period as IDA may deem fit.

2 Short Access Code

- 2.1 The licensee may apply for 4-digit or 5-digit access codes that allow callers to gain access to the ISR services. The allocation of the access codes will be subject to the availability of such codes and consideration for other usage. The Licensee shall ensure that the access codes are used efficiently and effectively.

3 Quality of Service

- 3.1 The licensee shall comply with the minimum Quality of Services (QoS) standards below for the international voice and/or data services provided:
 - (a) At least 95% of calls should not have a post dialing delay of more than 25 seconds; and
 - (b) At least 90% of calls made are able to seize a circuit.

3.2 IDA reserves the right to modify the above standards from time to time, and inform the licensee accordingly for compliance.

4 Service Registration

4.1 The Licensee shall provide some form of service application or registration procedures for signing-up of customers before any service activation to ensure that subscribers are properly signed up for the international call services and that the right parties are being billed (except for pre-paid card services).

5 Call Barring Facilities

5.1 The Licensee shall provide some form of international call barring facilities to any consumer who wish to bar the Licensee's international call services, regardless of whether the consumer is a subscriber of any service provided by the Licensee, to further prevent any unauthorised or fraudulent activation of international call service.

6 Route-By-Route Approval

6.1 The Licensee is required to seek IDA's prior approval on a route-by-route basis for the provision of this service. The Licensee shall not operate the International Simple Resale service between Singapore and any foreign destination unless the legislation and/or policies at that destination permits or does not prohibit the operation of such service.

SCHEDULE C
(Where Applicable)

**SPECIFIC TERMS AND CONDITIONS FOR
RESALE OF LEASED CIRCUIT SERVICES**

1 Declaration of Usage

- 1.1 The Licensee shall ensure that the customers declare, in writing, the usage of the leased circuit and their compliance with all licensing and regulatory conditions and requirements of IDA. The Licensee shall terminate its agreement with the customers if these customers are found to infringe any of the conditions of this Licence, the Act or the regulations made thereunder.

2 Registration of the Customers

- 2.1 The Licensee shall maintain a register containing records of the customers and their particulars which shall be made available for inspection by IDA. The particulars should include the Customer's name, address, Certificate of Incorporation of Business Registration Number and details of the services provided such as international leased circuit speeds and destinations.
- 2.2 The register shall be kept at the Licensee's premises for a period of not less than six (6) months from the date of termination of the Services to the customer.

3 Marketing

- 3.1 The Licensee shall state clearly in all marketing and promotional communications that the Licensee is a leased circuit reseller.

4 Quality of Service

- 4.1 The Licensee shall comply with the Quality of Service standards established by IDA from time to time.

5 Approval by Regulatory Authority Overseas

- 5.1 For the resale of international leased circuit services, the Licensee shall provide documentary proof from either:
- (a) the relevant authorities in the foreign country that resale of leased circuit services between Singapore and the foreign country is permitted and approved; or
 - (b) a licensed operator in the foreign country that the overseas licensed operator is authorised to provide resale of leased circuit services in the foreign country and that the overseas licensed operator would treat all similarly-situated operators licensed in Singapore on a non-exclusive and non-discriminatory basis.

SCHEDULE C
(Where Applicable)

**SPECIFIC TERMS AND CONDITIONS FOR
PUBLIC INTERNET ACCESS SERVICES**

1 Electronic Mail Address Portability

- 1.1 The Licensee shall comply, at its own cost, with any guidelines established by IDA on electronic-mail address portability, to be implemented by the Licensee.

2 Content

- 2.1 The Licensee shall comply with such terms and conditions as may be imposed by the Media Development Authority (MDA) for the content that is transmitted through the System.

SCHEDULE C
(Where Applicable)

**SPECIFIC TERMS AND CONDITIONS FOR
VIRTUAL PRIVATE NETWORK SERVICES**

1 Technical Compatibility

- 1.1 The Licensee shall comply with any technical specifications prescribed by IDA for the purposes of ensuring technical compatibility, avoiding technical harm to the telecommunication network of any licensed Facilities-Based Operator or preventing safety hazards to the personnel in the connection of telecommunication equipment and/or systems to the network.

2 Metering

- 2.1 The Licensee shall take all reasonable steps to ensure that any metering equipment used in connection with the services operated under the Licence is accurate and reliable.
- 2.2 Under the written request of IDA, the Licensee shall conduct tests on metering equipment to assess its accuracy, reliability and conformity to the technical standards, if any, as specified by IDA. The Licensee shall submit the test results to IDA within 14 days after the date of the test or such other longer period as IDA may deem fit.

SCHEDULE C
(Where Applicable)

**SPECIFIC TERMS AND CONDITIONS FOR
MANAGED DATA NETWORK SERVICES**

1 Technical Compatibility

- 1.1 The Licensee shall comply with any technical specifications prescribed by IDA for the purposes of ensuring technical compatibility, avoiding technical harm to the telecommunication network and/or systems of FBOs or preventing safety hazards to personnel in the connection of telecommunication equipment and/or systems to the network.

2 Metering

- 2.1 The Licensee shall take all reasonable steps to ensure that any metering equipment used in connection with the services operated under the Licence is accurate and reliable.
- 2.2 Under the written request of IDA, the Licensee shall conduct tests on metering equipment to assess its accuracy, reliability and conformity to the technical standards, if any, as specified by IDA. The Licensee shall submit the test results to IDA within 14 days after the date of the test or such other longer period as IDA may deem fit.

SCHEDULE C
(Where Applicable)

**SPECIFIC TERMS AND CONDITIONS FOR
STORE-AND-FORWARD VALUE-ADDED NETWORK SERVICES**

1 Establishment of Service Nodes

- 1.1 The Licensee is required to establish a service node in Singapore and make available the information on the routing table, subscriber database, call traffic statistics and/or other records maintained by the service node for inspection whenever requested. The Licensee without a service node in Singapore may provide Store & Forward Value-Added Network services through a local access node which is connected to the public switched telecommunication networks provided by a Facilities-Based Operator licensed by IDA.

2 Transmission of Value-Added Network traffic over the Internet

- 2.1 The Licensee may choose to carry its Value-Added Network traffic over dedicated leased circuits or switched/permanent virtual circuits such as frame relay circuits. The Licensee may also choose to transmit its VAN traffic through virtual private network links over the Internet.

SCHEDULE C
(Where Applicable)

**SPECIFIC TERMS AND CONDITIONS FOR
LIVE AUDIOTEX SERVICES**

1 Transmission of the Live Audiotex Services

- 1.1 The Licensee shall comply with the following transmission standards in the delivery of the announcement or programme:
- (a) There shall be no delay in starting the announcement or programme when a call is connected;
 - (b) Each of the live Audiotex services shall be assigned a different telephone number;
 - (c) There shall be no interruption during the announcement or programme; and
 - (d) Such other standards as may be specified by IDA from time to time.
- 1.2 The Licensee shall ensure that the number of attempted calls at any time does not significantly exceed the number of call-in lines for the service and shall subscribe for additional lines from licensed Facilities-Based Operators to adequately handle calls for the Live Audiotex services and to prevent congestion to other users of the public telecommunication network.
- 1.3 The Licensee shall not, except with the prior arrangement with the licensed Facilities-Based Operator, organise any mass calling event which will generate a high influx of calls to the Live Audiotex services.
- 1.4 The Licensee shall not enable callers to communicate amongst themselves directly in real-time.

1.5 The Licensee shall ensure that the Value-Added Network and/or the live Audiotex services provided through it are not used for any unlawful purpose.

2 Content and Accuracy of Announcements/Programmes

2.1 The Licensee shall be solely responsible for the content and its accuracy and shall obtain all necessary approvals from the relevant authorities in Singapore.

2.2 The Licensee shall indemnify and keep indemnified at all times IDA against all claims for libel, slander, infringement of Intellectual Property rights or any other liability whatsoever arising from or in connection with the information transmitted or received through the Value-Added Network.

3 Announcement of Call Charges

3.1 The Licensee shall ensure that his current call charges are published in all advertisements for the live Audiotex services.

3.2 The Licensee shall, in addition, announce the current call charges for the Live Audiotex services at the beginning of the call. The Licensee shall provide a grace period during which calls are not charged for:

- (a) the first 6 seconds of a call where the charge announcement lasts 4 seconds; or
- (b) the first 12 seconds of a call where the charge announcement lasts 10 seconds.

SCHEDULE C
(Where Applicable)

**SPECIFIC TERMS AND CONDITIONS FOR
IP TELEPHONY SERVICES**

1 Scope of Services

- 1.1 The Licence enables the Licensee to provide IP Telephony services using E.164 telephone numbers¹ for such services and assigning such numbers to the Licensee's customer (referred to in this Schedule as an "IP telephony number"). Such services allow customers to make and receive voice, data and/or video calls using the same telephone number from any domestic or overseas location where broadband Internet access is available.

2 Public Emergency Call Services

- 2.1 The Licensee shall disclose in advance to its customers whether the Services it provides may be used to contact the police emergency service (namely 999 or its substitute number), the fire and ambulance services (namely 995 or its substitute number) and any other national emergency services which the Minister may from time to time designate, for the purpose of notifying such services of any emergency.
- 2.2 The Licensee shall not charge its customers for any use of the Services to contact the emergency services referred to in Condition 2.1 of this Schedule.
- 2.3 IDA reserves the right to require the Licensee to comply with additional safety and security safeguards to enhance security measures for public and national safety.

¹ An International Telecommunications Union Telecommunication Standardization Sector ("ITU-T") standard network addressing format for telephone numbers. The E.164 addresses are 15 decimal digits long and include a country code, area or city code, and a local number.

3 Registration of Subscribers

3.1 The Licensee shall maintain a register containing records of its subscribers and their particulars which shall be made available for inspection by authorised Singapore government agencies. The records shall contain the following particulars of the subscribers:

(a) Name, address and, as applicable, NRIC number, passport number or business registration number of the subscriber (or, where the subscriber is not located in Singapore, the applicable identification details obtained through appropriate documents that are recognised by the authorised establishments in the country of purchase, shall be used instead.);

(b) IP telephony number assigned to the subscriber;

(c) Date of activation of the subscriber's account;

(d) Internet Service Provider account used by the subscriber to access the Licensee's IP Telephony Service where applicable; and

(e) Media Access Control ("MAC") / Internet Protocol ("IP") address where applicable.

3.2 IDA reserves the right to require the Licensee to record any other details as necessary in its register of subscribers.

3.3 Before recording the particulars referred to in Condition 3.1 of this Schedule, the Licensee shall:

(a) where the subscriber is in Singapore, require the production of the subscriber's identify card issued under the National Registration Act (Cap. 201), passport or Employment Pass and make and keep a photocopy of such evidence of identity; or

(b) where the subscriber is not in Singapore, the Licensee shall use its best efforts to verify the identity of the subscriber through

appropriate documents that are recognised by the authorised establishments in the country of purchase.

- 3.4 The records in the register shall be kept at the Licensee's premises for a period of not less than 6 calendar months from the date of termination of the Services to the subscriber.
- 3.5 The Licensee shall maintain Call Detail Records ("CDRs") of all calls made and received through the Licensee's IP Telephony Services which are operated and/or provided in Singapore.
- 3.6 All CDRs shall be kept by the Licensee in Singapore for a period of not less than 12 calendar months.

4 Registration of Retailers

- 4.1 The Licensee shall maintain a register containing records of its retailers and their particulars which shall be made available for inspection by authorised Singapore government agencies. The records shall contain the following particulars of the retailer:
 - (a) Name, business address and, as applicable, NRIC number, passport number or business registration number of the retailer in Singapore (or, where the retailer is not based in Singapore, the applicable identification details obtained through appropriate documents that are recognised by the authorised establishments in the country of origin, shall be used instead.);
 - (b) Contact telephone number(s) of the retailer; and
 - (c) IP telephony number accounts allocated by the Licensee to the retailer for sale.
- 4.2 The Licensee shall ensure that retailers selling its Services obtain the information set out in Conditions 3.1, 3.2 and 3.3 of this Schedule upon the registration of a subscriber and forward such information to the Licensee within 2 days of the activation of the subscriber's account.

- 4.3 IDA reserves the right to require the Licensee to record any other details as necessary in its register of retailers.
- 4.4 The records in the register shall be kept at the Licensee's premises for a period of not less than 6 calendar months from the date on which the retailer ceases to sell the Services of the Licensee.

5 Additional Conditions for Provision of IP Telephony Services Utilising Level "6" Telephone Numbers issued by IDA

- 5.1 Where the Licensee provides any of the Services utilizing a level "6" telephone number, he shall comply with Conditions 5.2 to 5.5 in respect of such services (hereinafter referred to as "Level "6" Services"). For the purposes of Condition 5, "Fixed Network Telecommunication Services" means fixed line basic telephony services associated with number level "6".
- 5.2 The Licensee shall ensure that subscribers of its Level "6" Services must be able to receive and make voice calls from/to subscribers on any public switched telecommunication network, public mobile network or public digital voice network in Singapore.
- 5.3 The Licensee shall ensure that:
- (a) any person through customer premises equipment that enable the use of its Level "6" Services; and
 - (b) any person through its public payphones that enables the use of its Level "6" Services may at any time and without charge, contact the relevant police emergency service (namely 999 or its substitute number), the fire and ambulance services (namely 995 or its substitute number and any other national emergency services which the Minister may from time to time designate to be provided by operators of Fixed Network Telecommunication Services, for the purpose of notifying such services of any emergency.

- 5.4 The Licensee shall ensure that its Level “6” Services comply with the quality of service standards as may be established by IDA from time to time for Fixed Network Telecommunication Services.
- 5.5 The Licensee shall ensure that its Level “6” Services are only provided to domestic customers (within Singapore) with a Singapore registered and billing address.”

6 Technical Requirements for the provision of access to Emergency Services

- 6.1 The Licensee is also required to comply with the following technical requirements for all calls made to public emergency services if it provides its subscribers access to public emergency services:
- (a) The Licensee shall pass Calling Line Identity (“CLI”) for all calls;
 - (b) Licensees shall not manipulate the CLI of the original calling party and the original calling party CLI shall be passed on in the conveyance of a call accordingly;
 - (c) Licensees shall not, in the handling of outgoing traffic, manipulate the access code dialled by the calling party; and
 - (d) The A-bit of the Forward Call Indicator (“FCI”) of the Initial Access Message (“IAM”) on the ITU-T Signalling System Number 7 ISDN User Part (“ISUP”) signalling should be set to the value “1” to identify an international incoming call for systems inter-working. Where the Licensee operates a system which does not support ITU-T Signalling System Number 7 signalling, then the Licensee shall route such international incoming calls on specified circuits/trunks.

SCHEDULE D
PERFORMANCE BOND
[Deleted]