

Date: 6 June 2003

Mrs Selina Chow Liang Shuk-ye
House Committee Chairman
Legislative Council
Legislative Council Building
8 Jackson Road, Central
Hong Kong

Dear Mrs Chow

Re: Telecommunications (Amendment) Bill 2002

We refer to the latest version of the Telecommunications (Amendment) Bill 2002 as presented by CITB to the Bills Committee in its meeting on 23 May 2003. We understand that there is a proposal to have the Second Reading of the Bill in that form on 18 June 2003.

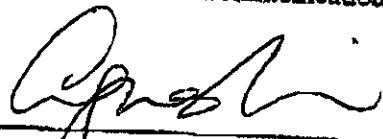
We have all previously made lengthy and detailed submissions on the Bill and we remain opposed to the introduction of telecom sector specific merger and acquisition control. Now is a particularly inopportune time to consider such legislation – the telecom industry has suffered huge loss of investors' confidence and our already depressed economy has been further worsened by SARS. Introducing the Bill in this climate will only make it harder for telecommunication companies to attract investors, raise capital and increase employment levels. The Bill would certainly not assist Hong Kong companies becoming regional players or in maintaining Hong Kong as a regional hub. We would therefore request that the Government reconsider introducing the Bill at this time.

If the Government is, however, adamant about introducing the Bill, there still remain a number of very substantial issues that need to be addressed where the Bill fails to meet global best practices. The excessively wide scope of the Bill, the lack of checks and balances on the TA's power in the formulation of the guidelines which form the core of the merger and acquisition control regime, and the actual review process are still of grave concern to us. We have elaborated on these issues and made proposals for alternatives in our joint submission dated 21 May 2003. To this date, we have not had a written response from CITB to our joint submission.

We strongly believe that the Bill in its current form will neither promote investment nor competition. With the hope that, if a Bill were to be passed, it would maximise both predictability and objectivity while at the same time ensuring a fair process that limits the burden to investors and operators but without impairing the Government's objective of protecting consumer interests, we will be presenting to the Bills Committee the actual wording of our proposed changes to the Bill to be considered at the Second Reading. The fact that these proposed changes represent a unified view of several major operators should merit some detailed consideration from the Government and LegCo members.

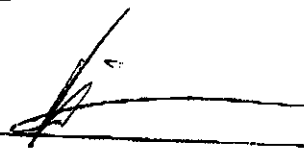
We will need time to prepare these proposed amendments and LegCo members will need to be given sufficient time to fully understand our proposals and consider them. Given the far-reaching consequence that this Bill will have on investors and consumers, we do not see any reason why the Bill should be rushed and the Second Reading resumed too soon, running the risks that issues will not be thoroughly discussed and considered. We would therefore ask that the date for resuming the Second Reading of the Bill be deferred.

Yours faithfully
For and on behalf of
Hutchison Global Communications Limited



Agnes Miu
Director of Legal and Regulatory

For and on behalf of
PCCW Limited



Stuart Chiron
Director of Regulatory Affairs

For and on behalf of
Hutchison Telephone Company Limited
Hutchison 3G HK Limited



Oswald Kwok
Senior Legal Counsel

For and on behalf of
SmarTone Mobile Communications Limited



Elaine Lau
Head Legal Counsel

For and on behalf of
New World Telecommunications Limited

Dumas Chow
General Counsel

For and on behalf of
Telstra Corporation Limited
Hong Kong CSL Limited

Ritchie Ma
Director Corporate Affairs International

cc: Sin Chung-kai

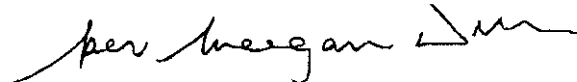
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