



Suruhanjaya Komunikasi dan Multimedia Malaysia
Malaysian Communications and Multimedia Commission

Applicant Information Package No. 1 of 2005

Issued pursuant to Regulation 8 of the Communications and Multimedia
(Spectrum) Regulations 2000 (as amended 2001)

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PREFACE

On Feb 5, 2002, the Minister of Energy, Communications and Multimedia determined via Ministerial Determination on Spectrum Reallocation, Ministerial Determination No. 1 of 2002 ("Ministerial Determination No. 1 of 2002") the following frequency bands to be reallocated for Spectrum Assignment.

- a. 1920 MHz to 1965MHz ;
- b. 2110 MHz to 2155MHz; and
- c. 2010 MHz to 2025MHz.

Subsequent to the Ministerial Determination No. 1 of 2002, the MCMC issued Marketing Plan No. 1 of 2002 and Applicant Information Package No. 1 of 2002 to effect the assignment of spectrum determined by the Minister by way of tender.

As a result of the process set out in Applicant Information Package No. 1 of 2002, the following spectrum were assigned on 1 April 2003 :

- a. 1950-1965MHz; 2140-2155MHz, and 2020-2025MHz (Referred to as Spectrum Assignment No. SA/01/2003)
- b. 1935-1950MHz; 2125-2140MHz; and 2015-2020MHz (Referred to as Spectrum Assignment No. SA/02/2003)

Based on the above assignments, the following remaining blocks are still available for assignment (hereinafter to be referred to as the "remaining blocks"):

- a. 1920-1935MHz;
- b. 2110-2125MHz, and
- c. 2010-2015MHz.

As the services for the assigned spectrum have commenced by the respective operators, and the market is conducive and receptive to such services, the MCMC is now reconsidering the release of the remaining blocks to be marketed together with the available blocks.

Toward this effect, the Minister of Energy, Water and Communications has issued Ministerial Determination No. 1 of 2005 on 18 July 2005, which reallocated the following frequency bands for Spectrum Assignment (hereinafter to be referred to as the "new blocks") :

- a. 1965MHz -1980MHz;
- b. 2155MHz – 2170MHz; and
- c. 1915MHz – 1920MHz.

Pursuant to Regulation 6 of the Communications and Multimedia (Spectrum) Regulations 2000 (as amended 2001), the Malaysian Communications and Multimedia Commission has prepared the Marketing Plan. Under Regulation 6(2) of the Communications and Multimedia (Spectrum) Regulations 2000 (as amended

2001), the Marketing Plan is required to be made available to the public for comments. The Marketing Plan was made available for to the public for comments from 22 July 2005 to 5 August 2005 and now forms part of this Applicant Information Package.

The Commission now invites Eligible Persons to submit their application for the IMT2000 spectrum as set out herein. Submissions both in writing and in electronic form should be received in full by the Commission before **12 noon, 11 November 2005**.

Submissions in hard copy and electronic copy in CD-ROM should be addressed to:

*The Malaysian Communications and Multimedia Commission
Cyberjaya
63000 SELANGOR*

Attention : Secretariat Committee 3G Round 2

Commercially sensitive material should be provided under separate cover and clearly marked "**CONFIDENTIAL**", and will not be made publicly available. Unless otherwise marked, the Commission reserves the right to make extracts or entire submissions available to the public.

This Applicant Information Package Plan is issued by the Malaysian Communications and Multimedia Commission (the "*Commission*") pursuant to Regulation 8 of the Communications and Multimedia (Spectrum) Regulations 2000 (as amended 2001) (the "*Spectrum Regulations*"), and shall be referred to as **Applicant Information Package No. 1 of 2005** (the "*AIP*").

SECTION ONE: METHOD, PROCEDURES AND TIMETABLE

METHOD

- 1 The frequency bands identified under the Ministerial Determination on Spectrum Reallocation, Determination No. 1 of 2005 and the remaining blocks under the Ministerial Determination on Spectrum Reallocation, Determination No.1 of 2002, shall be assigned **by way of tender**.

PROCEDURES

Eligible Person

- 2 A company incorporated under the Companies Act 1965 and as at the date of issuance of this Applicant Information Package is in possession of valid :
 - 2.1 Network Facilities Provider Individual (NFP(I)) licence, including radio transmitters and links; and
 - 2.2 Network Service Provider Individual (NSP(I)) licenceshall be considered an Eligible Person. Companies which are related to or linked with the successful tenderers in the Applicant Information Package No.1 of 2002 are **discouraged** from applying.

Invitation

- 3 In conjunction with this AIP, the Commission shall issue an Invitation inviting Eligible Persons to submit applications for the Spectrum Assignment. The Invitation will be published in two (2) National Language and two (2) English Language national daily newspapers for three (3) consecutive days. The Invitation will also be made available on the Commission website at **www.mcmc.gov.my**.

TIMETABLE FOR THE SPECTRUM ASSIGNMENT

- 4 Applications for the Spectrum Assignments shall reach the Commission not later than **12 noon, 11 November 2005**.
- 5 The Application Process Time Table will be as follows:

No.	Process	Date
1.	Publication of Invitation.	22 August 2005
2.	Applicant Information Package is available for purchase and/or download.	22 August 2005
3.	Close of Submission of Application.	12 noon, 11 November 2005
4.	Commission to announce result of applications.	February 2006

SECTION TWO: PRE-CONDITION

- 6 Applicants for the Spectrum Assignments shall be companies incorporated under the Companies Act 1965 and at the date of release of this Applicant Information Package be in possession of valid NFP(I) licence including radio transmitters and links and NSP(I) licence. Companies which are related to or linked with the successful tenderers in the Applicant Information Package No.1 of 2002 are discouraged from applying.

SECTION THREE: TENDER EVALUATION CRITERIA

- 7 The Commission will evaluate the applications based on Applicant's proposed Business Plan. The Business Plan shall, in general, outline Applicant's proposals for utilizing the spectrum to be assigned throughout the period of Spectrum Assignment. Most importantly, the Business Plan shall demonstrate the Applicants' capability and capacity to fulfill specific requirements set by the Commission. The Business Plan shall be structured to reflect the following:

PART ONE: SERVICE ROLLOUT AND COVERAGE

7.1 The Applicant shall provide a rollout plan of the facilities required for service provision. The Applicant will be evaluated based on the following key parameters :

- (a) Coverage, which shall indicate number of transmitters, number of base station sites and their geographic distribution according to State and time frame for roll out, and whether the location is rural or urban¹;
- (b) Service launch timeline- the applicant may include a pilot service in the shortest period possible before commencing commercial service, and commercial service introduced in the quickest period thereafter in no less than five (5) distinct geographic locations;
- (c) Network plan, which exploits the use of existing GSM900 and GSM1800 network facilities to complement the new network facilities.

PART TWO: INFRASTRUCTURE SHARING

7.2 The Applicant shall demonstrate its capacity and capability to provide its commitment in infrastructure sharing. The key parameters are:

- (a) Sharing or allowing access to the use of airtime and network facilities with other licensees. Details shall include:
 - (i) sharing of physical facilities (i.e. in percentage in relation to number of sites and level of sharing i.e. tower, floor space, antenna at each site); and
 - (ii) network capacity and capabilities (i.e. traffic volume and access conditions to third parties).
- (b) Maximizing the use of existing network facilities including existing network capacity and capabilities, existing base stations sites, backbones, radio links, etc. in enhancing sharing and reducing duplication of network facilities.

7.3 The Applicant shall indicate prices chargeable for 7.2 above.

¹ Note: Urban Area is "Gazetted areas with their adjoining built-up areas which had a combined population of 10,000 or more at the time of the 2000 population census" as defined on page xxii of the Population and Housing Census of Malaysia 2000 issued by the Department of Statistics Malaysia.

PART THREE: ROAMING

- 7.4 The Applicant shall demonstrate its commitment and capability to provide domestic roaming. A roaming plan shall be provided to indicate the timelines and the expected roaming capability that would be made available.
- 7.5 The roaming plan shall include explanation from the technical (including modification and upgrade) and commercial (charging) aspects; how roaming will be handled as well as the enhancements to service coverage, mobility, quality of service, and capacity and capability of the network.
- 7.6 The key parameters are:
- (a) Roaming between 2G (GSM900 & GSM1800), 2.5G and 3G networks; and
 - (b) Roaming between 3G networks.

PART FOUR: FINANCIAL CONSIDERATIONS

- 7.7 The Applicant shall provide a financial plan that elaborates the Applicant's financial standing and projections. The information required shall be as follows :
- (a) Applicant's Audited Financial Statements for the past three (3) years², which shall include detailed and summary Profit and Loss Statements, Balance Sheet and Cashflow Statement.
 - (i) The above Audited Financial Statements shall be accompanied by financial evaluations elaborating, among others the company's working capital position, debt ratios, profitability, weighted average cost of capital, etc.
 - (b) Applicant's funding proposal for the project, which shall include information on proposed method of financing (for example, revolving loan, equity financing, vendor financing, etc) for the different requirements of the project.

² In the event that the company has a track record of less than three (3) years, all of the shareholders in the company shall submit their individual Financial Statements.

- (i) The above funding proposal shall indicate material terms attached to the financing, such as mark-up rate, coupon rate etc.
 - (c) Applicant's financial projections, which shall include assumptions to the projections for the period of Spectrum Assignment. The financial projections shall provide information on the viability and profitability of the project, sensitivity analyses, etc.
 - (i) Among indicators that could be used in the financial projections are Net Present Value, Returns on Investment, payback period, earnings before/after tax and profitability margins, operational efficiency (operational expenditure against revenue).
 - (ii) Revenue projections shall be based on wholesale rates, which includes, among others, volume discounts.
- 7.8 The evaluation will be based on the following key parameters :
- (a) Good track record such as improved profitability, healthy debt position, strong liquidity;
 - (b) Sufficient capital to fund the project roll out; and
 - (c) Viability of the project based on wholesale operations.

PART FIVE: INDUSTRY DEVELOPMENT

- 7.9 The Applicant shall indicate how it plans to contribute towards development in the communications and multimedia industry, in relation to IMT-2000 technologies, applications and content applications services. The key parameters in evaluating this criteria are as follows:
- (a) Promotion of Research and Development activities;
 - (b) Promotion of applications and content services development and commitment in the development of new and innovative business models (for example, wholesale and retail markets);

- (c) Promotion of Small and Medium Industries (SMIs), through strategic partnerships with local SMIs to manufacture or develop equipment, terminals or applications;
 - (d) Promotion of human resource development, such as job creation, training programs, knowledge development;
- 7.10 The Applicant shall indicate its commitment for the above parameters by specifying the timeframe, desired outcomes and specific targets in fulfilling the parameters.

PART SIX: MANAGEMENT AND TECHNICAL EXPERIENCE

- 7.11 The Applicant shall demonstrate that its key management and technical personnel have the necessary experience in the communications and multimedia industry in the last five years particularly in mobile communications. The key parameters in evaluating this criteria will be based on, but not limited to:
- (a) Business and financial management;
 - (b) Technical management;
 - (c) Spectrum management; and
 - (d) Management of wholesale channels and multi-service applications service providers.
- 7.12 In fulfilling this requirement, the Applicant shall submit its management and technical teams' curriculum vitae outlining their experience and level of involvement in the above parameters for the last five years.

SECTION FOUR: BASIS OF EVALUATION AND ASSIGNMENT

EVALUATION

Weightage

- 8 The Commission shall base its selection of suitable applicants in reference to the business plan submitted and weightage attributed to each of the Evaluation Criteria as follows:

No.	Basis	Weightage (%)
1.	Service Roll out and Coverage	40
2.	Infrastructure Sharing	15
3.	Roaming	12.5
4.	Financial Considerations	12.5
5.	Industry Development	10
6.	Management and technical experience	10
	TOTAL	100

SELECTION

- 9 The Commission, upon evaluation, may, select either one (1) or two (2) best applicants it considers having satisfied the Evaluation Criteria. The applicants shall have scored at least 60% of the total 100% of the Evaluation Criteria weightage points and must score at least 60% of the available marks in Section 3 Part 4 on Financial Considerations. Notwithstanding an overall score of 60% or more, failure to score 60% in the Financial Consideration section would constitute an overall failure.
- 10 The best applicant(s) will be announced as successful Applicant(s) for Spectrum Assignment.
- 11 In the event that the Commission receives only two (2) applications, **OR** less **OR** finds less than two (2) Applicants meeting the minimum score of 60%, the Commission reserves the right to issue only one (1) Spectrum Assignment or none at all. In the event none are successful, the Commission reserves the right to re-tender the spectrum at a time to be decided by the Commission.
- 12 Successful Applicants are subsequently required to submit to the Commission a Detailed Business Plan within six (6) months from the date of announcement of the award of assignment. Applicants are reminded that since the selection of the successful Applicants are based on the initial business plan, there should not be any material deviation from such business plan in the Detailed Business Plan to be submitted. The Commission reserves the right not to issue an assignment if, in its opinion, that the Detailed Business Plan has materially departed from the original Business Plan submitted on the Date of Application.

SECTION FIVE: ASSIGNMENT FEE

- 13 The price component for the assignment of each combination set of the spectrum set out in paragraph 20 herein, shall be RM55,000,000 (Ringgit Malaysia Fifty Five Million).
- 14 On the date of application, Applicants shall each submit to the Commission an Irrevocable Bank Guarantee, payable on demand for the amount of RM2,000,000 (Ringgit Malaysia Two Million), which shall be valid for one (1) year from the date of application, being the deposit for Spectrum Assignment. This deposit is refundable in the event the application is not successful.
- 15 Upon the issuance of assignment, the price component shall be payable as follows:
- (a) RM10,000,000 (Ringgit Malaysia Ten Million), being the first payment of the price component for the assignment of the spectrum payable upon award of Spectrum Assignment; and
 - (b) The remaining RM45,000,000 (Ringgit Malaysia Forty Five Million) shall be paid on equal instalments of RM11,250,000 (Ringgit Malaysia Eleven Million Two Hundred and Fifty Thousand) per year for four (4) years. The first payment of the instalment shall commence on the first anniversary of the Spectrum Assignment.
 - (c) Alternatively, the assignment holder can pay a lump sum of RM50,000,000 (Ringgit Malaysia Fifty Million) being payment for the price component immediately prior to the issuance of assignment of spectrum.
- 16 In addition to the fees stated above, the assignment holder shall pay an annual fee component to contribute to the maintenance of the spectrum as more particularly set out in the Spectrum Regulations. An example of how this fee shall be calculated is as follows:

EXAMPLE

- a. FDD portion = RM840.00 x 2 x number of transmitters
- b. TDD portion = RM840.00 x 1 x number of transmitters

- Note :
1. FDD portion in (a) above is multiplied by 2 since it is a paired spectrum where transmitter and receiver are required
 2. TDD portion in (b) above is multiplied by 1 as it only utilizes one part of spectrum.

Example: If the network requires 4,000 transmitters for FDD, and another 4,000 for TDD, the maintenance fee would be:

$$[\text{RM}840 \times 2 \times 4,000] + [\text{RM}840 \times 1 \times 4,000] = [\text{RM}6.72 \text{ million}] + [\text{RM}3.36 \text{ million}] \\ = \text{RM}10.0 \text{ million.}$$

The above calculations are for illustration purposes only. The exact amount shall be determined by the Commission when it issues the actual invoice. The Commission audits the number of transmitters every year.

- 17 The Commission shall issue an invoice two (2) months prior to the anniversary of the Spectrum Assignment and payment is due within thirty (30) days thereafter.

SECTION SIX: SPECTRUM TO BE ASSIGNED

18 The spectrum to be assigned shall consist of four (4) blocks as follows:

Frequency Band	Block	Sub-block
1920 MHz to 1935 MHz paired with 2110 MHz to 2125 MHz	A	Divided into 3 paired sub-blocks of 5MHz each
1965 MHz to 1980 MHz paired with 2155 MHz to 2170 MHz	D	Divided into 3 paired sub-blocks of 5MHz each
1915MHz to 1920MHz	E	1 sub-block of 5MHz
2010MHz to 2015MHz	F	1 sub-block of 5MHz

19 The above frequency bands shall be allocated on a nationwide basis.

20 The above frequency bands shall be assigned in two (2) combination sets as follows :

Combination Set	Blocks
SA3	A and E
SA4	D and F

21 Applicants may indicate their preference of a particular set, either Combination Set SA3 **OR** Combination Set SA4. The Commission, however, reserves the right to decide on the final allocation set.

SECTION SEVEN: CONDITIONS TO ASSIGNMENT

- 22 The validity period for the Spectrum Assignment issued shall be for a period from the date of issuance of Spectrum Assignment until **1 April 2018**.
- 23 An assignment holder is subject to all the relevant provisions in relation to Spectrum Assignment as provided for in the Communications and Multimedia Act 1998 (“CMA”), the Spectrum Regulations, and instruments thereunder that may be issued by the Commission from time to time.
- 24 An assignment holder is prohibited from transferring or otherwise dealing with the whole or any part of the Spectrum Assignment.
- 25 For use of the Spectrum Assignment 10km from national border areas, an assignment holder is required to submit technical details of apparatus installation for coordination with neighbouring countries and the Spectrum Assignment use is subject to successful coordination.

PENALTIES AND OTHER CONDITIONS TO SPECTRUM ASSIGNMENT

- 26 The Detailed Business Plan as required in Section Eight below shall form part of the conditions of this Spectrum Assignment. For avoidance of doubt, the first five (5) year period of the Detailed Business Plan shall form a binding commitment by the Applicant to the Commission upon issuance of this Spectrum Assignment and any deviation therefrom may attract penalties. The remaining period of the Detailed Business Plan shall be done as best to reflect the proposal of the Applicant at the point of submission. The Applicant may be permitted to modify the subsequent seven (7) years of the Detailed Business Plan, in consultation with the Commission.
- 27 There shall be no material change in the shareholding of the assignment holder without the prior approval of the Commission for a period of five (5) years from the date of the assignment of the spectrum or until the price component of the Spectrum Assignment has been fully paid up, whichever is later.
- 28 Any non-compliance to the commitments made pursuant to the Detailed Business Plan submitted shall be a breach of the condition of assignment and attract the penalties outlined in the Spectrum Regulations. The penalties may include

cancellation of the Spectrum Assignment as well as recovery of any money due to the Commission including the full price component of the Spectrum Assignment.

29 The Applicant is also reminded that in addition to the remedies available to it pursuant to the Spectrum Regulations, the Commission reserves the right to call on the Bank Guarantee set out in paragraph 36 herein for non-compliance of the obligations set out in this Spectrum Assignment.

30 The assignment holder shall submit a half-yearly report to the Commission outlining their activities according to the Detailed Business Plan. The report shall be delivered to the Commission on 30 June and 31 December of each year from the date the spectrum is assigned.

SECTION EIGHT: DETAILED BUSINESS PLAN

31 Successful Applicants announced by the Commission shall submit a Detailed Business Plan, which further elaborates the submission of Section Three of this AIP, within six (6) months from the date of announcement of successful application by the Commission. For example, the Detailed Business Plan will provide a list of specific tower sites (owned or shared), calculation of population coverage, coverage maps, etc.

32 The Detailed Business Plan shall be for the entire duration of the Spectrum Assignment and shall incorporate the key deliverables, milestones and timelines as submitted in the initial tender submission on 11 November 2005.

SECTION NINE: INSTRUCTIONS TO ELIGIBLE PERSONS

33 Upon the publication of the Invitation as indicated in Paragraph 3 above, an eligible person may request a hard-copy of the Applicant Information Package (the "AIP") from the Commission by paying a Document Fee of RM100.00 (Ringgit Malaysia One Hundred). The AIP can also be downloaded free of charge from the Commission's website at www.mcmc.gov.my.

STRUCTURE OF THE APPLICATION

34 The Application shall incorporate the following:

- (a) Letter of Application (refer to the sample in Section Ten herein);
- (b) Declaration Form (refer to the sample in Section Ten herein);
- (c) Application Form (refer to Section Ten herein);
- (d) Summary of Application, which outlines the merits of the application;
- (e) The Business Plan as set out in Section Three (refer to the Guide Notes in Section Ten herein);
- (f) Supporting Documents as required in the Application Form;
- (g) Supplementary Documents to support Applicant's proposals;
- (h) Fees, Deposits and Guarantees (refer to the Guide Notes and sample bank guarantee in Section Ten herein).

FEES, DEPOSITS AND GUARANTEES

35 Upon application, Applicants shall provide the following:

35.1 Spectrum Assignment Application Fee

- (a) The Spectrum Assignment Application fee of RM5,000 (Ringgit Malaysia Five Thousand) by way of crossed cheque made payable to Malaysian Communications and Multimedia Commission. This fee is not part of the Price Component Fee for the Spectrum Assignment, and is non-refundable.

35.2 Guarantee for payment of Spectrum Assignment Fee

- (a) An Irrevocable Bank Guarantee, payable on demand for the amount of RM2,000,000 (Ringgit Malaysia Two Million), which shall be valid for one (1) year from the date of application being deposit for Spectrum Assignment. This deposit is refundable in the event the application is not successful OR in the case of a successful Applicant, upon receipt of the **first payment** for Spectrum Assignment Fee (Price Component) of RM10,000,000.

36 Prior to the assignment of the spectrum, the Successful Applicants shall provide the following:

- 36.1 Spectrum Assignment Fee (Price Component) of RM10,000,000 (Ringgit Malaysia Ten Million) and a Spectrum Assignment Fee (Price Component) Payment Guarantee :
- (a) RM10,000,000 (Ringgit Malaysia Ten Million) by way of banker's cheque made payable to Malaysian Communications and Multimedia Commission;
 - (b) An Irrevocable Bank Guarantee, payable on demand, for the amount of RM45,000,000 (Ringgit Malaysia Forty Five Million), which shall be valid for four (4) years from the date of Assignment.
- 36.2 Alternatively, the Successful Applicant can opt to pay the full amount of Spectrum Assignment Fee (Price Component) of RM50,000,000 (Ringgit Malaysia Fifty Million) in one payment prior to the issuance of the Spectrum Assignment.
- 36.3 Notwithstanding the payment option chosen, the Successful Applicants shall also provide an Irrevocable Bank Guarantee to guarantee performance and compliance with the conditions of the Spectrum Assignment and the Detailed Business Plan, payable on demand, either in part or in full, for the amount of RM50,000,000 (Ringgit Malaysia Fifty Million), which shall be valid for the duration of the Spectrum Assignment.

SUBMISSION OF THE APPLICATION

37 The Application shall be submitted to the Commission, in hard copy, in the following manner:

- 37.1 The Application shall be provided in sealed envelopes in six (6) sets hard copy, including one original. The original shall be marked "Original" and the five copies shall be marked "Copy". The Application shall also be submitted in electronic form (CD-ROM).
- 37.2 The Application shall be deposited in the Tender Deposit Box (Marked "**Application for IMT-2000 Spectrum Assignment-Round 2**") located at the Commission's office lobby at:

***Malaysian Communications and Multimedia Commission
Cyberjaya
63000 SELANGOR***

38 In the event that there is a dispute on the delivery and accuracy of the documents submitted, the Commission shall evaluate the application based on the Original copy submitted.

39 The Commission shall endorse and acknowledge the receipt of the Applications.

40 Applicants are reminded that once submitted, the Application is considered as final, and the Commission shall not entertain any alteration or modification made to it. However, the Commission may request additional information to be submitted.

DATE AND TIME OF SUBMISSION OF APPLICATION

41 The complete Application shall reach the Commission before **12 noon** on **11 November 2005**.

EVALUATION OF APPLICATION

42 The Commission shall announce the successful Applicants by end of **February 2006**.

43 In the event the Commission requires additional information from the Applicants, the Commission may request for such information, by writing to the Applicant. The information requested is to be forwarded to the Commission within a stipulated time to be determined by the Commission.

DISCLOSURE

44 Applicants shall indicate, other than the Summary of Application, the parts which Applicants considers private and confidential, and such parts should be marked as "**CONFIDENTIAL**".

/end

SECTION TEN: ATTACHMENTS

ATTACHMENT ONE : SAMPLE APPLICATION LETTER

COMPANY LETTERHEAD

Date

Ref. No.

MALAYSIAN COMMUNICATIONS AND MULTIMEDIA COMMISSION
63000 Cyberjaya, Selangor.

Attn. : Secretariat Committee 3G Round 2

Dear Sirs

APPLICATION FOR SPECTRUM ASSIGNMENT (IMT-2000)

We are pleased to submit our Application for IMT-2000 Spectrum Assignment, and hereby attaching the following documents as part of the requirements for the Application :

- a. Declaration
- b. Duly Completed Application Form
- c. Summary of our Application
- d. Business Plan

In relation to the Application, we also submit herewith the following :

- a. Non-refundable Spectrum Assignment Application Fee of RM5,000 (Ringgit Malaysia Five Thousand) by way of crossed cheque made payable to Malaysian Communications and Multimedia Commission.
- b. An Irrevocable Bank Guarantee, payable on demand for the amount of RM2,000,000 (Ringgit Malaysia Two Million), valid for one year from 11 November 2005, being deposit for the Spectrum Assignment.

Thank you.

Yours faithfully,
COMPANY NAME

Signed, Authorized Signatory
NAME
POSITION

ATTACHMENT TWO : SAMPLE DECLARATION FORM

DECLARATION FOR THE SUBMISSION OF APPLICATION

We, and, the undersigned, as directors and Representatives for this Application, confirm and acknowledge we have read and understood the Applicant Information Package, and confirm that the factual information provided therein, or in support of, the Application is, to the best of our knowledge, information and belief, true, accurate and has no material omissions and that any opinion expressed is honestly held.

Signed :

Authorized Signature
NAME
POSITION

Authorized Signature
NAME
POSITION

**COMPANY SEAL
DATE**

ATTACHMENT THREE : SAMPLE BANK GUARANTEE

Note : The Bank Guarantees shall be substantially in the following form :

Bank Guarantee for the Deposit

IRREVOCABLE BANK GUARANTEE

To : The Malaysian Communications and Multimedia Commission
63000, Cyberjaya, Selangor

At the request of(hereinafter called the “**Applicant**”), we hereby irrevocably guarantee that a sum of **RM2,000,000.00 (Ringgit Malaysia Two Million Only)** being the amount required to be deposited with the Malaysian Communications and Multimedia Commission in accordance with Paragraph 14 of the Applicant Information Package, shall be payable by us on demand by the Malaysian Communications and Multimedia Commission.

We hereby agree that we shall not be discharged or released from this Guarantee by any arrangement between the Applicant and the Malaysian Communications and Multimedia Commission whether with or without our consent or by any alteration in the obligations undertaken by the Applicant or by any forbearance by the Malaysian Communications and Multimedia Commission.

This Guarantee shall be valid for a period of one (1) year with effect from 11 November 2005.

Signed for and on behalf
of the said **GUARANTOR**

Performance Guarantee

IRREVOCABLE BANK GUARANTEE

To : The Malaysian Communications and Multimedia Commission
63000, Cyberjaya Selangor.

In consideration of the Malaysian Communications and Multimedia Commission issuing a Spectrum Assignment to the Applicant, we hereby irrevocably guarantee the sum of **RM50,000,000.00 (Ringgit Malaysia Fifty Million Only)** for the due performance by the Applicant of all the terms and conditions of the Spectrum Assignment, which sum shall be payable by us on demand by the Malaysian Communications and Multimedia Commission. We agree that we shall not be discharged or released from this Guarantee by any arrangement between the Applicant and the Malaysian Communications and Multimedia Commission whether with or without our consent or by any alteration in the obligations undertaken by the Applicant or by any forbearance, whether as to payment, time, performance or otherwise.

This Guarantee shall be valid for a period from the date of the Spectrum Assignment until 1 April 2018.

Signed for and on behalf
of the said **GUARANTOR**

ATTACHMENT FOUR : APPLICATION FORM



SURUHANJAYA KOMUNIKASI DAN MULTIMEDIA MALAYSIA
Malaysian Communications and Multimedia Commission

Application Form for Spectrum Assignment No. 1 of 2005

For
MCMC
Use

AF-A	COMPANY PARTICULARS			
1.	Registered Name :			
2.	Company Registration No. :			
3.	Date of Incorporation :			
4.	Registered Address Post Code :			
5.	Contact Persons (Maximum Three Only):			
a.	1. Name : _____ Designation : _____	Tel. : _____	Email : _____	
b.	2. Name : _____ Designation : _____	Tel : _____	Email : _____	
c.	3. Name : _____ Designation : _____	Tel : _____	Email : _____	

AF-B SHAREHOLDINGS

1. List down all the shareholders of the Applicant according to the latest submission to the Registrar of Companies pursuant to the Companies Act 1965 (or submission to the Securities Commission if the company is listed on the Malaysian stock exchange)

No.	Name	NRIC /Passport/ Company No	Number of Shares Owned	(%)
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
	TOTAL			

2. Provide company's organizational chart indicating the relationship of the Applicant to its shareholders or parent, associate, subsidiary and other companies related to the Applicant (in an Attachment). This chart also should also display the amount of shareholding between these companies.

AF-C BOARD OF DIRECTORS

Please fill the table below. Additional entry shall be provided in a separate sheet, and be marked as such. Please refer to Section Three, Part Six of the Applicant Information Package for the Curriculum Vitae requirements. Please note that this part only lists the Board of Directors; details should be given as part of the submission set out in the Applicant Information Package.

No.	Name	Position
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
16.		
17.		
18.		
19.		
20.		

Note : For purposes of Sections AF-A, AF-B and AF-C, please include all the relevant documents filed with the Registrar of Companies pursuant to the Companies Act 1965. These supporting documents should reflect the most up to date shareholding and directorships of the Applicant as at the date of submission.

AF-D LICENSES ISSUED

Note: In this part, Applicants are required to submit information of licences and assignments held by the Applicant, or in the case of a joint venture, information on licences and assignment held by members of the joint venture.

1. Licenses issued under the Communications and Multimedia (Licensing) Regulations 2000

	Type of License	Check	Registration Number	Date Issued	Expiry Date
1.	Network Facilities Provider	<input type="checkbox"/>			
	Name of Company License Granted to :				
	a.				
	b.				
	c.				
2.	Network Services Provider	<input type="checkbox"/>			
	Name of Company License Granted to :				
	a.				
	b.				
	c.				
3.	Applications Service Provider	<input type="checkbox"/>			
	Name of Company License Granted to :				
	a.				
	b.				
	c.				
4.	Content Applications Service Provider	<input type="checkbox"/>			
	Name of Company License Granted to :				
	a.				
	b.				
	c.				

AF-E FOREIGN INVESTMENT COMMITTEE REQUIREMENTS

Please substantiate your claims below with the necessary documentations.

1. Does the applicant require any approval from the Foreign Investment Committee in pursuance of this submission?
Yes No
2. If YES, please indicate whether any approval was given.

3. If NO, please state the reason for not requiring such approval (for example, the company fulfils all the shareholdings requirements etc.)

AF-F FEES AND DEPOSITS

1. ASSIGNMENT FEE – Payment Option

The price component for the assignment of each combination set of the spectrum shall be RM55,000,000 (**Ringgit Malaysia Fifty Five Million**). Please indicate your preferred method of payment for the price component :

a. **Method A** Instalment

	Upon Assignment	1st Anniversary	2nd Anniversary	3rd Anniversary	4th Anniversary
RM '000	10,000	11,250	11,250	11,250	11,250

b. **Method B** Lump Sum Payment
 RM50,000,000 (Ringgit Malaysia Fifty Million)

2. DEPOSIT FOR SPECTRUM ASSIGNMENT

The Deposit for this Spectrum Assignment shall be RM2,000,000 (Ringgit Malaysia Two Million), by way of an Irrevocable Bank Guarantee.

AF-H **SPECTRUM TO BE ASSIGNED**

Applicant may indicate their preference of spectrum combination sets to be assigned to them. However, the Commission reserves the right to assign whichever combination sets, depending on the demand for a specific spectrum set.

Frequency Band	Block	Sub-block
1920 MHz to 1935 MHz paired with 2110 MHz to 2125 MHz	A	Divided into 3 paired sub-blocks of 5MHz each
1965 MHz to 1980 MHz paired with 2155 MHz to 2170 MHz	D	Divided into 3 paired sub-blocks of 5MHz each
1915MHz to 1920MHz	E	1 sub-block of 5MHz
2010MHz to 2015MHz	F	1 sub-block of 5MHz

Please indicate your preference below, from First to Third preference :

Combination Set	Sub-block	Preference
SA3	A and E	
SA4	D and F	

AF-H SUMMARY OF APPLICATION

Provide a summary of Applicant's business plan and merits to the Application in. Such summary shall only contain the highlights of the submission and shall not be more than ten (10) pages long on A4 size paper. The format of the summary shall follow the title headings set out in **Section Three : Tender Evaluation Criteria** of the Applicant Information Package.

ATTACHMENT FIVE : CHECKLIST FOR APPLICATION

	Item	Applicant	MCMC
1.	Application Letter	<input type="checkbox"/>	
2.	Application Form	<input type="checkbox"/>	
3.	Declaration Form	<input type="checkbox"/>	
4.	Summary of the Application, which outlines the merits of the application, as well as the summary of information required in Section Three : Tender Evaluation Criteria of the AIP	<input type="checkbox"/>	
5.	Information Required in Evaluation Criteria (Refer to Guide in Section Ten). List all the attachments in a separate sheet to accompany this checklist.	<input type="checkbox"/>	
	Part One : Service Roll-out and Coverage	<input type="checkbox"/>	
	Part Two : Infrastructure Sharing	<input type="checkbox"/>	
	Part Three : Roaming	<input type="checkbox"/>	
	Part Four : Financial Considerations	<input type="checkbox"/>	
	Part Five : Industry Development	<input type="checkbox"/>	
	Part Six : Management and Technical Experience	<input type="checkbox"/>	
6.	Supporting Documents as required in the Application Form		
	- Form 9 and Memorandum and Articles of Association	<input type="checkbox"/>	
	- Form 24 (Shareholdings)	<input type="checkbox"/>	
	- Form 49 (Board of Directors)	<input type="checkbox"/>	
	- Joint venture documents (if any)	<input type="checkbox"/>	
	- Compliance with the Foreign Investment Committee requirements	<input type="checkbox"/>	
7.	Supplementary Documents to support applicant's proposals. List all the attachments in a separate sheet to accompany this checklist.	<input type="checkbox"/>	
8.	Spectrum Assignment Application Fee of RM5,000-00	<input type="checkbox"/>	
9.	Irrevocable Bank Guarantee for RM2,000,000-00	<input type="checkbox"/>	

ATTACHMENT SIX : GUIDE FOR APPLICANT INFORMATION PACKAGE

Guide For the Applicant

Section Two : Pre-Condition

- 1 The Applicant is requested to be guided by the following notes in relation to **Section Two : Pre-Condition**; in preparing its submission to the Commission :

- 2 Section Two : Precondition of the Applicant Information Package states that “applicants for the Spectrum Assignments shall be companies incorporated under the Companies Act 1965” and as at the date of issuance of this Applicant Information Package is in possession of valid :
 - Network Facilities Provider Individual (NFP(I)) licence, including radio transmitters and links, and
 - Network Service Provider Individual (NSP(I)) licence

(a) shall be considered an Eligible Person. Companies which are related to or linked with the successful tenderers in the Applicant Information Package No.1 of 2002 are **discouraged** from applying. The given statement clearly stated the eligibility of the applicants.

- 3 The Applicant is advised to be guided by the following notes in relation to **Section Three : Tender Evaluation Criteria**; in preparing its submission to the Commission :

1	Service Roll Out and Coverage	Item	Part	Guide
	Provide roll out plan of the facilities required for service provision.	Coverage plan	7.1 (a)	<p>The Applicant shall demonstrate prudent investment strategies and linkages between rollout of services and target market segments, market size, affordability, revenue streams, roaming, competition etc.</p> <p>The above demonstration shall take into consideration demand analysis in the CMA environment, consideration of Malaysian socio-demographic and geographic factors and shall indicate the assumptions made.</p> <p>The Applicant shall demonstrate how new sites may be acquired or developed and the ability and innovation to reduce environmental impact as well as public concern for safety.</p> <p>The roll out timeline shall be submitted together as per Table 1. The Applicant is required to provide indication of when population coverage of 80% may be achieved.</p>
		Service launch timeline	7.1(b)	<p>The Applicant is to demonstrate aggressive but prudent strategies and approach towards commercial 3G services launch. It shall cover the capability in service and market development including pilot service and the proposed timeline towards achieving this. The Applicant will have to define their proposed distinct geographical location with the information of the coverage area (square km) and with the number of population of the covered area.</p> <p>The Applicant is to provide details on services expected to be available during the pilot and commercial service.</p>
		Network Plan	7.1(c)	<p>The Applicant is to demonstrate how it proposes to utilise existing network infrastructure such as switch, core network, base stations and transmission links to complement the new 3G network, particularly in lowering cost of investment and facilitating roll out.</p>

Table 1

Roll out timelines

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Total number of transmitters															
Total numbers of sites															
Total number of urban sites															
Total number of rural sites															
Geographic distribution per state – to specify the number of sites and transmitters for each state															

2	Infrastructure Sharing	Item	Part	Guide
	Provide commitments in infrastructure sharing including strategies for effective infrastructure and site sharing	Sharing or allowing access to use of airtime and network facilities:- <ul style="list-style-type: none"> • Physical • Network capacity and capabilities 	7.2 (a)	<p>The Applicant shall demonstrate the availability and capacity of any physical facilities such as towers, floor space, antenna, ducts space etc to be shared on a commercially negotiated basis.</p> <p>In particular, the Applicant shall demonstrate innovation in creating models of sharing and the level of network capacity and capabilities it planned to rent out, or allowing access to facilitate others to offer or package innovative applications services.</p> <p>The basic information is to be provided in Tables 2 (A), 2(B) and 2(C).</p>
		Maximising the use of existing network facilities	7.2(b)	The Applicant shall demonstrate how it plans to optimise the use of existing network facilities including network capacity and capabilities, base station sites, backbones, radio links, etc in enhancing sharing and reducing duplication of network facilities.
		Prices Chargeable	7.3	The Applicant shall provide pricing models and methodology that it may use and the benchmark prices for the various network facilities it proposes to offer which cover the physical as well as network airtime and capabilities. In doing so it shall demonstrate the level of cost reduction that may be achieved.

Table 2 (A)

[A] State : Name of State

Availability of passive physical items for own use or to share/rent or allow access by other licensees

PASSIVE PHYSICAL ITEMS	Tower*		Floor*		Antenna*		Feeder*		Ancillary Support*	
	Own Use	Share	Own Use	Share	Own Use	Share	Own Use	Share	Own Use	Share
List of base station sites										
List of switching centre sites										
List of radio network controller sites										

Note:

**The Applicant to mark number of other network facility provider it can accommodate at each listed site. If not available for a particular item, enter "0", and "1" if available for one and "2" if available for two. To also indicate for own use.*

Table 2 [B]

State : Name of State

Availability of active cellular network components for own use or to share/rent or allow access by other licensees

ACTIVE CELLULAR NETWORK COMPONENTS	A#	B#	C#	D#	E#
Radio Base stations (BS)					
Radio Network controller/Base station controller (RNC/BSC)					
Mobile Switch capacity					

Note: # A, B, C, D, and E are sharing solutions available and will be offered. The Applicant to identify, elaborate and submit. For example, A may be identified as "Shared UMTS Terrestrial Radio Access Network solution" in which case BS and RNC may be shared and the applicant can (Y) at the appropriate places.

Table 2 [C]

Nationwide

Availability of transmission links for own use or to share/rent or allow access by other licensees

TRANSMISSION LINKS	Total installed capacity in Mbps	Capacity for own use – 3G and other services	New capacity to build for 3G	Spare capacity available for others to rent
Access transmission links in the radio access networks (BS-RNC/BSC)				
Core transmission links (MSC-MSC/RNC)				

Note: Capacity in Mbps is the total end-to-end capacity (total contribution from each link, for example 1500 x 2Mbps).

3	Roaming	Item	Part	Guide
	Commitments on domestic roaming. Roaming shall include voice and data communications.	Domestic roaming plan	7.4	<p>The Applicant shall demonstrate its commitment and capacity to provide domestic roaming between 2G and 2.5G and 3G that it intend to harness to provide good coverage in places where 3G is unavailable.</p> <p>The roaming plan shall cover models and capabilities in roaming that it plans to realize, the timelines proposed, as well as the enhancements to service quality and coverage.</p>
		Technical and commercial arrangements	7.5	<p>The Applicant shall elaborate technical and commercial considerations, cost and benefit as well as quality objectives attainable. These considerations shall include safeguards on “freeloader” problems, and protection on investment and incentives to invest in network roll out.</p>
		Roaming between: a. 2G, 2.5G and 3G b. 3G	7.6	<p>The Applicants shall demonstrate commitment to roam firstly among the networks within its control and secondly with competing providers as well as 3G international roaming.</p>

4	Financial considerations	Item	Part	Guide
	Financial plan that elaborates its financial standing and projections	Audited Financial statements for 2002, 2003, 2004	7.7(a)	<p>The Applicant shall provide copies of its Audited Financial Statements for the financial years end of 2002, 2003 and 2004. Wherever possible, the Applicant shall also provide its latest Management Accounts. Applicants with less than three (3) years experience in the communications and multimedia industry shall provide Audited Financial Statements of all of the shareholders for the periods requested.</p> <p>The Financial Statements shall include the relevant notes, details and summary of profit and loss statements, balance sheets and cashflow statements.</p> <p>The Applicant shall provide a summary of Audited Financial Statements and financial evaluations elaborating the company's financial strength, working capital position, debt ratios, profitability, weighted average cost of capital, and other information to demonstrate its financial track record.</p>

4	Financial considerations	Item	Part	Guide
		Funding proposals	7.7(b)	<p>The Applicant shall demonstrate its ability to fund the project and to meet all the commitments provided in its proposal. In this respect, the Applicant shall provide information on the amount and types of funding and the different requirements attached to the fund. It shall also include material terms attached such as mark-up rate, coupon rate, etc.</p> <p>The Applicant shall also include information of the projection on equity contribution by its shareholders and prove the ability of its shareholder to meet the commitments.</p>

4	Financial considerations	Item	Part	Guide
		Financial projections	7.7(c)	<p>The Applicant shall demonstrate that it has deliberated on the viability of the proposed Spectrum Assignment, based on the regulatory framework under the CMA. In this instance, the Applicant shall provide the necessary financial projections, which shall include the detailed assumptions for the projections for the period of Spectrum Assignment.</p> <p>Among the information that shall be included in the financial projections are revenue based on wholesale prices, demand and supply for the specific markets, yearly investments, expenditures, and the associated costs (such as financial costs).</p> <p>The Applicant shall, based on the financial projections provided, prove the viability and profitability of the Spectrum Assignment. Required indicators in this are Net Present Value (NPV), Earnings Before Interest and Tax (EBIT), Earnings Before Interest, Tax, Depreciation and Ammortisation (EBITDA), profitability margins, Weighted Average Cost of Capital (WACC) and operational efficiency.</p>

4	Financial considerations	Item	Part	Guide
		Key parameters	7.8	<p>The Applicant shall demonstrate that it has proven and good track record such as improved profitability, healthy debt position, and strong liquidity.</p> <p>The Applicant shall also demonstrate that it possesses the capacity to procure sufficient funds for the roll out as well as other commitments provided in its proposals.</p> <p>The Applicant shall further demonstrate that the business proposals are viable, based on wholesale operations.</p>

5	Industry Development	Item	Part	Guide
	Contribution towards development in the communications and multimedia industry in relation to IMT2000 technologies, applications and content applications services	Promotion of research and development activities	7.9 (a)	The Applicant shall demonstrate its capabilities and capacity to promote research and development. In the submission, the Applicant shall highlight the areas of R & D it commit to do as well as any experience and track record.
		Promotion of new and innovative business models	7.9(b)	The Applicant shall demonstrate its plan on new and innovative business models that it will commit to promote.
		Promotion of SMIs	7.9(c)	<p>The Applicant shall demonstrate its commitment to local SMI procurements. Wherever possible, the Applicant will provide projected targets in terms of amount, number as well as areas of procurement.</p> <p>The Applicant shall also demonstrate its ability, plan and programmes to promote development of SMIs in supplies and applications development.</p>
		Promotion of human resource development	7.9 (d)	<p>The Applicants shall prove its commitments in providing staff training, job creation, knowledge enhancement and others.</p> <p>The Applicant shall elaborate its proposed budget for training, skills, knowledge and capabilities to provide training.</p>
		Timeline and desired outcomes	7.10	In submitting the above, the timelines and desired outcomes for each must be clearly provided.

6	Management and Technical Experience	Item	Part	Guide
	Experience in the communications and multimedia industry in the last five years particularly in mobile communications.	The Applicant's management and technical experience. Management and technical experience of personnel	7.11	<p>The Applicant shall provide a detailed background on the company, outlining its experience in the communications and multimedia industry, particularly in mobile communications in the last five years.</p> <p>The Applicant shall :</p> <ul style="list-style-type: none"> a. Provide a list of its senior management and technical personnel. b. Provide detailed curriculum vitae of personnel provided in (a) above outlining their experience in the last five years, each fulfilling the following requirements : <ul style="list-style-type: none"> i. Business and financial management ii. Technical Management iii. Spectrum Management iv. Management of wholesale channels and multi-service applications service providers.
	Further information to be considered in the above :	Business and financial management	7.11(a)	<p>The Applicant shall demonstrate that it has acquired the necessary personnel required toward realizing the project. In this area, the Applicant shall demonstrate the collective qualifications and experience in the last five years in terms of numbers and level of personnel in managing the investment, business, competition, marketing, interconnect and access, costing and billing.</p> <p>Highlight at least three major successes of the team in the last five years.</p>

6	Management and Technical Experience	Item	Part	Guide
		Technical Management	7.11(b)	The Applicant shall demonstrate its experience and its personnel's experience in the last five years in terms of numbers and level in managing the network facilities to international standards in network performance, knowledge in managing interconnect architecture between networks and network signalling.
		Spectrum Management	7.11(c)	The Applicant shall demonstrate its experience and its personnel's qualification and experience in managing spectrum, which would include experience in spectrum management tools, optimisation of spectrum use and domestic and border coordination requirements.
		Management of wholesale channels and multi-service applications service providers	7.11(d)	The Applicant shall demonstrate its experience, as well as its personnel's experience in managing wholesale business including an MVNO type of environment where multi-service applications service providers in their use of the common network platform.

/end