

## Conclusion of auction of radio spectrum in 850/900 MHz and 2.3 GHz bands

The Office of the Communications Authority (OFCA) announced today (November 20) that after a total of 110 rounds of bidding in seven days, the auction of radio spectrum in the 850/900 MHz and 2.3 GHz bands was concluded. A total of 110 MHz of spectrum in 11 frequency blocks was auctioned off to four mobile network operators at total spectrum utilization fees (SUFs) of \$2,242.5 million.

The results of the auction are listed in the table below:

Frequency block	Frequency range (MHz)	Provisional successful bidder	SUF payable (\$)
A1	832.5 – 837.5 paired with 877.5 – 882.5	SmarTone Mobile Communications Limited	151,500,000
A2	885.0 – 890.0 paired with 930.0 – 935.0	Hutchison Telephone Company Limited	223,500,000
B1	2300 – 2310	Hutchison Telephone Company Limited	142,500,000
B2	2310 – 2320	Hutchison Telephone Company Limited	251,000,000
B3	2320 – 2330	China Mobile Hong Kong Company Limited	217,000,000
B4	2330 – 2340	China Mobile Hong Kong Company Limited	196,000,000
B5	2340 – 2350	China Mobile Hong Kong Company Limited	215,000,000
B6	2350 – 2360	China Mobile Hong Kong Company Limited	226,500,000
B7	2360 – 2370	China Mobile Hong Kong Company Limited	219,500,000
B8	2370 – 2380	Hong Kong Telecommunications (HKT) Limited	280,500,000
B9	2380 – 2390	Hong Kong Telecommunications (HKT) Limited	119,500,000

“The spectrum auction implements the 2023 Policy Address initiative to promote telecommunications development. Apart from using the spectrum for continued provision of fourth generation (4G) mobile communications services, successful bidders can also refarm relevant spectrum for 5G and future generations of mobile communications services (including 6G), thereby further

enhancing overall service quality and driving innovation, benefitting all citizens in Hong Kong. In addition, benefitting from the amendments to the Inland Revenue Ordinance (Cap. 112) that came into effect in January this year, mobile network operators can enjoy full tax deductions for SUFs payable on radio spectrum acquired," a spokesman for OFCA said.

The assignment of the frequency blocks will be valid for a period of 15 years. Each provisional successful bidder is required to submit a Letter of Credit by January 13, 2025, in full amount to guarantee payment of the SUF as specified in the table above. The provisional successful bidders are also required to submit performance bonds, where applicable, to ensure compliance with the network and service rollout requirement before the actual frequency assignments take effect.

In addition, the auction of the newly launched 6/7 GHz band spectrum as mentioned in the 2023 Policy Address will take place on November 25.