

Annexed table 2

Table of calculation on incremental remittance of the bid award royalties by percentage and the balance of the bid award guarantee interest by percentage

Year of remittance	X	X+1	X+2	X+3	X+4	X+5	X+6	X+7	X+8	X+9
Remittance by percentage (%)	10	10	10	10	10	10	10	10	10	10
The balance of remittable interest calculated by percentage (%)	100	90	80	70	60	50	40	30	20	10

Note:

1. Year of Remittance: X represents the second year of the initial installment remittance deadline, stipulated under Subparagraph 1 of Paragraph 3 of Article 36.
2. Remittance by percentage (%): Refers to the balance amount by percentage of the total sum of the payable bid award guarantee upon deducting the bottom price of the nominated competitive bid.
3. Calculating the payable interest on the balance by percentage (%): Refers to the balance amount by percentage of the total sum of the payable interest on the bid award guarantee upon deducting the bottom price of the nominated competitive bid.
4. The nominated bidder, when choosing the installment method, may remit the bid award guarantee in advance. An illustrated example on the remittance method is as follows:

When operator A secures the bid of frequency A for \$3billion, frequency B for \$2billion, and frequency C for \$1billion, with its bid award guarantee totaling \$6billion, operator A is to first remit the bottom price \$3billion within the specified period (supposing the bottom price is at \$1.5billion, \$1billion and \$500M respectively), where the bid award guarantee upon deducting the remaining bottom price leaves the unpaid amount at \$3billion, which shall be remitted over 10 years, as stipulated in the annexed schedule, totaling 10 periods; then, each year's installment amount will account to \$300mn (as depicted in Table 1) and the interest on the remaining unpaid amount following the remittance of the yearly installment amount.

Table 1: Table of actuation on each year's installment amount

Unit: per 100Mn

Year of remittance	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Installment amount	3	3	3	3	3	3	3	3	3	3
Note: The installment amount shall add the interest on the unpaid amount of the balance of the previous year's bid award guarantee.										

Example I: When operator A desires to remit on October 1, 2015 in advance the bid award guarantee

Operator A on October 1, 2015 remits \$1billion, where the deduction of the amount remitted in advance is to being from the final period, with deductions totaling to three periods (form 2021 to 2023), also \$100M can be deducted from the 2020 payable amount. Meaning that starting in 2016, operator A is still required to remit the amount of \$300M as specified in the annexed schedule until 2019, and at

2020, the payable remainder amount is at \$200M; the interest on the balance of each installment shall still be remitted as specified.

Table 2: Table of actuation on each year's installment amount

Year of remittance	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Installment amount	3	3	3	3	3	3	2	0	0	0
Note: <ol style="list-style-type: none"> 1. The installment amount shall include the interest accrued on the unpaid amount of the previous year's bid award guarantee. 2. The 2021 to 2023 payable amount is at zero (\$1billion deducting 3 years totaling \$900M, which leaves an overpayment of \$100M). 3. The 2020 payable amount is at \$200M (the initial payable amount at \$300mn, upon deducting the overpayment of \$100M, which leaves \$200M unpaid). 										

Example II: In the instance where operator A remits on October 1, 2015 the remainder amount of royalties on frequency B for transferring the frequency operating right to frequency B, the calculation of the remainder amount of frequency B and the installment amount to be remitted starting the following year is as follows:

Calculation of frequency B's remainder guarantee amount:

Frequency B's 2016 to 2023 guarantee amount being $(20-10) / 10(Y) \times 8$ (periods) = \$800M

Of frequency B's bottom price of \$1billion, which operator A has remitted in full in a 30-day period following the competent authority announcement of the awarded bidders' list, the remaining amount is at \$1billion, which initially is to be remitted in full divided into 10 years, meaning \$100M for each year. When operator A intends to remit frequency B bid award guarantee by October 1, 2015, which would cover \$100 M, each of the payment amount for 2014 and 2015, this leaves the payable amount at \$800M by October 1, 2015. The early remittance amount is to be deducted from the last period, where a total of two periods (2022 to 2013) can be deducted, in addition to the 2021 deductible amount at \$200M.

Table 3: Table of actuation on each year's increment amount

Year of remittance	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Installment amount	3	3	3	3	3	3	3	1	0	0
Note: <ol style="list-style-type: none"> 1. The installment amount is subject to adding the interest on the remainder unpaid amount of the previous year's bid award royalties. 2. Operator A has on October 1, 2015 transferred frequency B operating right, which leaves the remaining amount of frequency B's payable royalties at \$800M. 3. The deduction method for the foresaid \$800M is the same as example I, meaning that the \$800M being the amount operator A remits early. For which, the payable 										

amount for 2022 and 2023 should be at 0 (the overpayment of \$800M upon deducted of the payable \$600M leaves an overpayment of \$200M), and the payable amount for 2021 is at \$100M (initially it should have been at \$300mn, which upon deducting the overpayment of \$200mn leaves the unpaid sum at \$100mn). And the rest are to be deduced according to the rule of thumb.

4. An operator that transfers the frequency operating right per Article 81 or Article 82 is to complete the process per the guideline.