

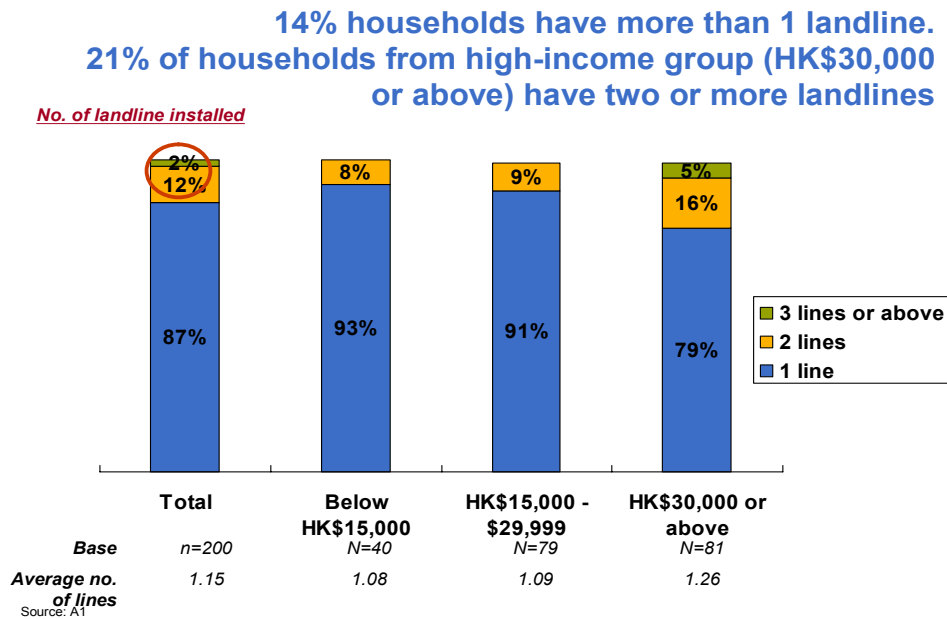
Survey Shows High Consumer Demand for a Competent Player in the Hong Kong Fixed-line Market

Need driven by low satisfaction with existing service providers

(Hong Kong, 26 March 2008) New research released today by Research International indicates a huge demand for quality fixed-line services in Hong Kong. Meanwhile, customer satisfaction with current fixed-line services is low, revealing the need for a new credible service provider.

The research, commissioned by SmarTone Telecommunications Holdings Limited and conducted by Research International, surveyed 200 fixed-line households in Hong Kong. It was aimed at gauging the satisfaction level of current service providers in Hong Kong and the demand for fixed-line services, which has long been perceived as a sunset industry.

The study showed that about 14 percent of households have more than one fixed-line in their homes. The research also reveals that people still use a fixed-line to make phone calls from home. While 100 per cent of surveyed household have a mobile phone, their average talk time per month on fixed-line phones is 75% of their average talk time on mobile phones. Therefore, mobile phone penetration and usage have not fully displaced the need for fixed-line services.



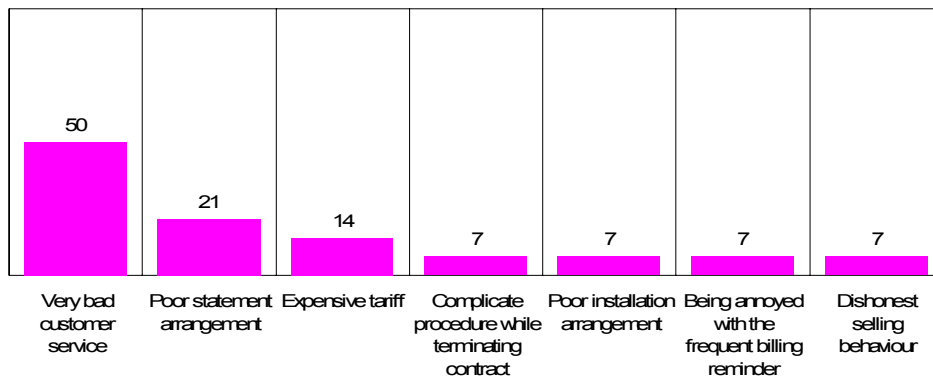
Despite the fact that there is a high market penetration of fixed-lines in Hong Kong, the customer satisfaction level is surprisingly low. Only 63 per cent of fixed-line users are satisfied with their current service provider, which is below the 75 per cent normally accepted standard for the service sector.

The major reason for customer dissatisfaction is poor customer service, which accounts for 50 per cent of respondents. The survey also suggests that there could be a lack of transparency in billing and statement presentation. Respondents have also expressed dissatisfaction with incremental charges for additional but essential services such as call waiting, caller display and voicemail. Therefore, it is apparent that there is a need for a new credible service provider, which can offer excellent service and simple price plans which consumers could confidently switch to.

The major reason for dissatisfaction is poor customer service (50%)

The findings also suggest that there could be a lack of transparency in billing and statement presentation leading to what is thought to be high tariffs

Details of dissatisfying experiences



Source: B2

‘The research reflects the real picture of the fixed-line service industry – strong demand but low satisfaction levels among current users,’ said Simon Tye, Managing Director of Research International. ‘The results show that current fixed-line services are not a sunset industry. There is simply a need for a better alternative in the market: a new high quality service provider.’

'This research confirms our long-held belief that the fixed-line market is not particularly well served and substantial market potential remains. The combination of our advanced technology, our customer-focused design and our award-winning customer service will redefine the fixed-line user experience in Hong Kong,' said Douglas Li, Chief Executive Officer of SmarTone Telecommunications Holdings Limited.

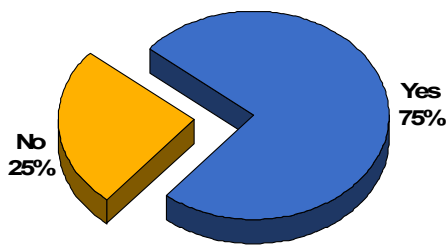
The survey indicates that 79 per cent of household would switch service provider if they were given a better service plan. With this in mind, SmarTone introduces the new fixed-line service, HomePhone+, which offers users all the services consumers want with an all-in-one price. All contract customers will receive a free stylish phone.

This research further indicates that 75% of households expects to encounter difficulties in switching service providers, in particular complicated termination and porting procedures, long handling time and difficulty in making appointment for installation. HomePhone+ service design has taken all these into account in ensuring a smoother and simple customer experience when switching.

75% of households anticipate hassles in switching service providers.

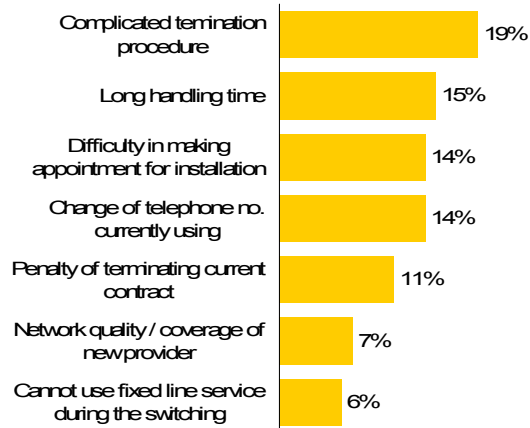
The key considerations are the complicated termination procedure (19%), long handling time (15%), difficulty in making appointment for installation (14%), changing of telephone number (14%).

Anticipation of hassles in switching service provider



Source: C3

Anticipated hassles to be encountered if switching to another landline provider



About SmarTone Telecommunications Holdings Limited

SmarTone Telecommunications Holdings Limited is a leading provider of communications services in Hong Kong and Macau. Its goal is to better enrich customers' lives by bringing them closer to what matters to them. The company has a strong focus on delivering superior customer experience as well as targeted and differentiated propositions.

The company's mobile business in Hong Kong operates as SmarTone-Vodafone, a Partner Network of Vodafone Group Plc, providing premium service quality with unrivalled network performance, unique service innovation and award-winning customer service.

The company also provides a wireless fixed-line service, redefining the fixed-line market in Hong Kong with unique service benefits as well as exceptional ease of use, convenience and flexibility.

SmarTone Telecommunications Holdings Limited was established in 1992 and has been listed in Hong Kong since 1996. It is a subsidiary of Sun Hung Kai Properties Limited, one of the largest property companies in Hong Kong.

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Appendix - Key Survey Findings Summary:

Households having more than one fixed-line in their homes	14%
Households having a mobile phone	100%
Fixed-line users being satisfied with their current service providers	63%
Reasons for customer dissatisfaction: <ul style="list-style-type: none">◆ Poor customer service◆ Poor statement arrangement	50% 21%
Households intending to switch fixed-line service providers given a better service plan	79%
Households expecting to encounter hassles in switching service providers	75%
Hassles in switching service providers: <ul style="list-style-type: none">◆ Complicated termination procedure◆ Long handling time◆ Difficulty in making appointment or installation◆ Changing of telephone number	19% 15% 14% 14%