

SmarTone's further comments on its recently announced

'User Pays' Data Price Plans

(6 February 2012, Hong Kong) In the light of commentaries in response to our recent announcement on the new 'User Pays' price plans, SmarTone wishes to emphasize the following:

Hong Kong has a fiercely competitive mobile communication market, as is recognized generally, as well as more recently and specifically by the Hong Kong Government in OFTA's 9 November 2011 Guidelines for the Implementation of Fair Usage Policy for the Provision of Mobile and Fixed Broadband Services. SmarTone competes vigorously in this market and provides the highest quality that is recognized by its customers and the wider market. Its transparency and fairness in dealings is second to none.

A recent independent evaluation of Hong Kong mobile network's data service performance placed SmarTone's network as the best (<http://www.youtube.com/watch?v=fxUy8tyRIaY>).

SmarTone is gratified by this validation and is determined to maintain and extend its quality and service leadership.

SmarTone's recently announced 'User Pays' data pricing plans are fair, reasonable and transparent. The new data allowance of 2GB is generous and will mean no additional charges for 85% of all existing data customers on the basis of current usage patterns.

Importantly, all existing contracts and those entered before 13 February 2012 will continue to be honoured in full.

In meeting the challenges of continuing rise in usage and general cost inflation, 'User Pays' data charging is the fairest approach for all customers, and promotes greater network investment for both increasing usage and quality. The alternative of raising prices for everyone, irrespective of usage levels, is patently unfair and is not in the best interest of the majority of customers. 'User Pays' data charging principle is a worldwide trend as the investment community demands an adequate return on network investment by mobile operators.

As ever, SmarTone is wholly committed to providing an unbeatable customer experience; best value for money; and fairness and transparency in its dealings.

Appendix:

1. Device bundled voice and data price plans (effective from 13 February 2012)

Price Plan		\$138	\$248	\$398
Local data usage		150MB	400MB	2GB
Thereafter usage charge		\$40 / 200MB On "Advise & Consent" basis		
Bolt-on Data Packs (Optional)		-	-	\$100/1GB \$200/3GB
Voice mins	Basic	800	1200	1800
	Intra	500	800	1500

2. SIM only voice and data price plans (effective from 13 February 2012)

Price Plan		\$168	\$238	\$298
Local data usage		400MB	2GB	2GB
Thereafter usage charge		\$40 / 200MB On "Advise & Consent" basis		
Bolt-on Data Packs (Optional)		-	\$100/1GB \$200/3GB	
WiFi		-	-	Included
Voice mins	Basic	1000	1000	1400
	Intra	400	600	600

3. Mobile Broadband (effective from 13 February 2012)

Price Plan		\$208
Local data usage		3GB
Thereafter data usage		\$40/200MB On "Advise & Consent" basis
Bolt-on Data Packs (Optional)		\$100/1GB \$200/3GB

Applicable to mobile broadband for dongles and tablets

4. "Advise & Consent" mechanism:

When the customer's data consumption nears his data allowance limit, an SMS will be sent to advise the customer of this. The customer may reply with the SMS to purchase a top-up of 200MB at \$40, and this top-up is effective immediately. If the customer does not approve the top-up, he can continue to use the service until his allowance is fully utilized. A new allowance will then commence on the next bill date. This 'Advise & Consent' mechanism allows customers to have full control of their data usage and, preventing any bill shock and any unintended stoppage due to exhaustion of a data allowance.

5. Typical data consumption with different types of usage

200 MB can provide:

- 100 internet pages; and
- 1000 emails; and
- 100 emails each with 100KB attachment; and
- 30 minutes video streaming

1 GB can provide:

- 500 internet pages; and
- 2000 emails; and
- 200 emails each with 100KB attachment; and
- 160 minutes video streaming