

SmarTone's arrangement for customers who entered into unlimited data price plans contracts between 2 Feb and 12 Feb 2012

(16 February 2012, Hong Kong) SmarTone today released the following arrangements for customers who entered into unlimited data price plans contracts between 2 Feb and 12 Feb 2012.

SmarTone announced new 'User Pays' price plans on 2 Feb 2012 for implementation on 13 Feb 2012, the date that OFTA's "Guidelines for the Implementation of Fair Usage Policy for the Provision of Mobile and Fixed Broadband Services" became effective. SmarTone also announced that on the basis of current usage, 85% of its customers with data usage will not be affected and that all existing unlimited data contracts will continue to run for their full terms.

In order to extend the benefit of unlimited data usage beyond their existing contracts, some customers took advantage of long standing upgrade privileges designed for handset or service upgrades by entering into additional contracts, based on the original unlimited data price plans, to run consecutively with their existing contracts. Other customers, nearing the end of their existing contracts, also entered into new contracts based on the original unlimited data price plans.

At no time did SmarTone make any marketing promotions nor any approach to customers on these upgrade privileges, except for customers whose contracts are nearing expiry and were invited to enter into new contracts in the ordinary course of business. SmarTone did not mislead customers

into signing new contracts. Customers could also check the level of their recent data usage before entering into new contracts to see whether they made sense.

At the commencement of business on 13 Feb 2012, the 'User Pays' price plans were launched with an undertaking to amend the terms of the new contracts for any additional benefits that may arise from any subsequent changes to those offers up to 17 Feb 2012. The terms of service were also posted on the company's website.

At 7:00 pm on 13 Feb 2012, SmarTone reacted to market competitive action and announced new price plans with "unlimited data up to 5GB", based on a more limited service level definition than the original unlimited data price plans. Therefore customers who contracted for the original unlimited data price plans before 13 Feb 2012 enjoy price plans that offer substantially better value than whatever price plans that came after and what are currently available in the market.

Hong Kong's competitive telecommunication market dictates rapid market response, and SmarTone appreciates that some customers may have entered into contracts which, though offering better value than what came after, still regret their decisions.

In putting customers first and as a gesture to those who regret their decisions, SmarTone decides to offer customers who entered into contracts with the original unlimited data price plans between 2 Feb 2012 and 12 Feb 2012, the option to rescind these contracts. For customers choosing this option, those with 'stacked' contracts will revert to their original contracts, while those customers who bought handsets under these contracts are required to return them, undamaged, together with

their associated accessories, at the same time. Customers wishing to avail themselves of this option should do so in person with their original contracts and related documents, from 17 Feb to 29 Feb 2012 at any of SmarTone's retail stores and customer centres.

Customers are advised to consider the respective merits of the original unlimited data terms of service of the original unlimited data price plans and what are currently available in the market in making their decisions.