

Three.com.hk

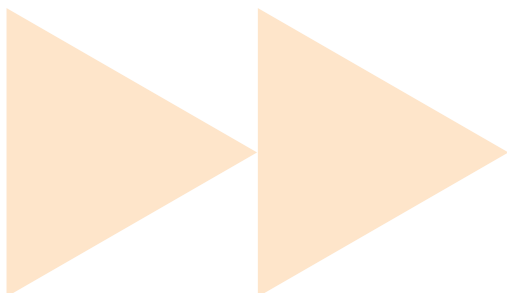
Operations Review Mobile Business

3 is a well established mobile operator in Hong Kong and Macau,

commanding a customer base of approximately 3.8 million.

We will strengthen customer loyalty by

constantly developing lifestyle-enhancing services and applications.



As a major mobile operator in Hong Kong and Macau, 3 always aims to provide customers with the benefits of innovation via advanced mobile networks and customer-orientated services of high quality.

As of 31 December 2013, 3 served approximately 3.8 million customers in Hong Kong and Macau. Our strategy of focusing on existing customers migrating to higher-tier plans resulted in approximately 3.5 million using 3G or 4G LTE network services by end of 2013. This represented 98% of the total postpaid customer base. As of 31 December 2013, smart device users represented over 60% of our 3G and 4G LTE postpaid customers in Hong Kong and Macau.

Innovative Services and Products

In June 2013, we partnered with an operating system service provider and became one of the first telecommunications operators in Greater China to launch a direct carrier billing service.

Our focus on delivering value-added services to customers led to co-operation with a number of over-the-top (“OTT”) content providers. Following the launch of our WhatsApp Data Pack, we continued a strategy of service differentiation

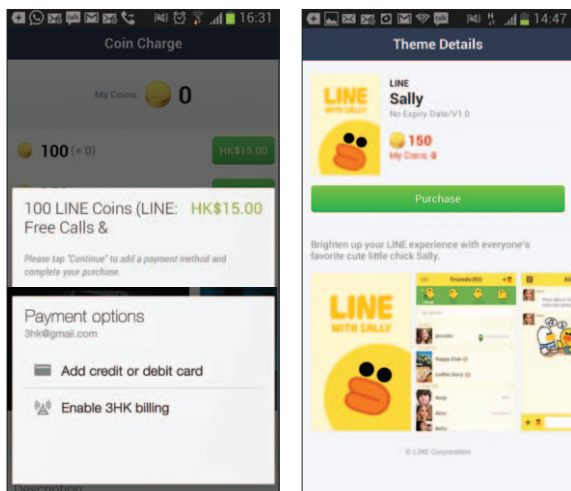
by launching various initiatives valued by customers. A prime example of 3’s fruitful marketing efforts was the LINE Data Pack service, resulting from an exclusive tie-up with LINE Corporation, one of the world’s leading platform innovators and a provider of popular instant messaging applications. In addition, we became the first telecommunications operator in Hong Kong to partner with Taiwan’s i-Pair, one of the largest dating portals serving the Chinese community.



► 3 Citi Wallet-activated smartphones enable users to tap-and-pay with the utmost convenience.



► 3 provides a one-stop shopping experience.



▶ Users can make app purchases from Google Play and in-app purchases via 3's direct carrier billing service.



▶ 3 Hong Kong is the first telecommunications operator in Hong Kong to partner with i-Pair, one of the largest dating portals serving the Chinese community.

Launched in late 2013, the 3 Citi Wallet service blended mobile communications technology with yet another part of everyday life. Customers can now make digital payments in a secure and convenient fashion using a wide range of popular smartphone models supported by Near Field Communications technology.

3 offered customers a wide choice of advanced smartphones and tablets running the latest operating systems during the year. Models included the latest LTE Category ("CAT") 4 smartphones with download speeds up to 150Mbps.

Full-range of Data and Roaming Products

Launch of the data tier-pricing scheme for local usage exemplified our efforts to offer customers competitive tariff plans tiered according to price and entitlement levels. Even the maximum entitlement level is reached, users can continue to use data without service suspension. The tariff scheme comes with a maximum cap billing function such that customers can enjoy a smooth online experience without bill shock.

High, mid-range and low data usage customers also benefit from a wide range of data roaming tariff packages when traveling overseas. We stand out in the market with the provision of various data roaming packages to cater for different data usage levels and budgets with our innovative offerings. While our Data Roaming Daily Pass is designed for heavy data users, the new 3Roam Data Plan, a "lite" version of the popular Data Roaming Daily Pass, provides customers with



▶ The new 3Roam Data Plan provides customers with a fixed data entitlement at an attractive flat rate throughout 113 destinations.

a fixed data entitlement throughout 113 destinations with a daily roaming charge cap. Pay-as-you-go flexibility is proving popular among customers wishing to stay connected when traveling. Our WhatsApp Roaming Pass allows customers to send unlimited messages and photos via WhatsApp at a fixed daily charge.

Ongoing Network Enhancement

Our 4G LTE network runs on both 1800MHz and 2600MHz spectrum bands, which cover almost all major areas in the territory. Meanwhile, continuous network optimisation on key MTR lines enhanced the voice and data communications user experience.

In March 2013, we acquired a block of 5MHz paired spectrum on 2600MHz, via a 50:50 joint venture, to cope with ever-rising demand for high-speed network service and increasing volumes of data traffic. This new block went into operation in June 2013, adding to the original 15MHz paired spectrum to boost 3 Hong Kong's existing 4G LTE user experience. The network is now able to support the latest LTE CAT 4 devices, with customers able to enjoy maximum download/upload speeds up to 150Mbps and 50Mbps respectively. Our pursuit of network excellence is rewarded by attainment of higher speed, reliability, customer satisfaction levels and increase in 4G LTE customer subscriptions.



► 4G LTE service of 3 Hong Kong achieves full MTR coverage.



► Growth in 3 Macau continues to be driven by inbound roaming and data services.

Macau

Growth in 3 Macau continued to be driven by inbound roaming as well as data services, with increasingly more customers upgrading to smartphones and data-centric plans.

The user experience was enhanced to keep in step with increasing demand for high-speed data services. Meanwhile, GSM spectrum refarming and deployment of a U900 network are completed to extend 3G coverage across the whole of Macau.

Outlook

Looking ahead, we aim to consolidate our position as a customer-orientated telecommunications player. We are seeking to reinforce our role in the market to focus on the user experience in order to generate ever greater customer loyalty. We strive to provide a full range of initiatives tailored to achieving enjoyment, convenience and satisfaction among our customers.

Meanwhile, we will continue to enhance our network, alongside the latest mobile technologies deployment, to exceed ever-rising customer expectation and drive further growth.