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# : Operations Review

### **Smart Connection, Smart Future**

The Group endeavours to harness the transformative power of 5G technology as it plays a critical role in building the smart cities of tomorrow. The Group is committed to integrating its smart connectivity to the communities it serves, and together unleashing the potential of 5G technology through exploring smart applications in combination with the might of artificial intelligence and Internet of Things ("IoT"). As one of the leading mobile operators, the Group shall be a driving force in propelling itself and its customers towards an innovative and sustainable future.

## **Pioneering 5G Connectivity**

On 1 April 2020, **3** Hong Kong announced the launch of its ultra-fast, low-latency 5G network services and unveiled its 5G development plans, heralding a cross-boundary and cross-industry new 5G era described as "5G One World". In order to draw the first batch of 5G customers, the Pre-5G Early Bird Limited-time Offer was launched coupled with special privileges including handset discounts, entertainment packs or 3Gamer service, doubled Mainland China-HK-Macau shared data, 4.5G Infinity data plus Net+ service. Besides, the special promotion offer was bundled with digital lifestyle services - the "World of V" pack comprising 4K



3 Hong Kong announced the launch of its 5G network services on 1 April 2020.

entertainment, popular mobile games and lifestyle entertainment to encourage subscription of 5G services.

Customers can experience **3** Hong Kong's 5G network by visiting the 5G Experience Shop at the 3Supreme flagship store in Causeway Bay. The shop has four experience zones, namely 5G speed test zone, 5G gaming zone, VR experience zone and corporate solutions demo zone, as well as showcases of new 5G applications with highlights on the strengths of **3** Hong Kong's 5G services.



**3** Hong Kong offers enterprises with diversified 5G business solutions and provides all-round support to facilitate the application for the Subsidy Scheme for Encouraging Early Deployment of 5G launched by the Government of the Hong Kong Special Administrative Region ("the government"). With the assistance of **3** Hong Kong, a number of corporate customers which includes the Hong Kong Chinese Orchestra, Mandarin Enterprises (International) Company Limited, Paul Y. Engineering Group, Fortune REIT and Hong Kong Dance Company had successfully received the government's financial incentives, allowing them to deploy 5G technology early to foster innovation and unlock opportunities in the smart future.

Innovative & Diversified Services

Upholding the vision of "3.0neWorld", 3 Hong Kong provides digital lifestyle services which redefine mobile communications in fields such as fintech, insurance, beauty and health, handsets and accessories, gaming and music. Leveraging its close ties with the global telecommunications operations of the CKHH Group as well as other telecommunications, internet and technology partners, the Group is dedicated to crafting a genuinely hasslefree and seamless mobile experience for its customers.

In January 2020, **3** Hong Kong collaborated with one of the top-notch technology partners to deploy mobile authentication solution. **3** Hong Kong subscribers can enjoy highly secured authentication, identity and payment validation, anonymous login and seamless access to services from all connected devices with ease.



3Care protection platform, characterised by "Care", "Commitment" and "Convenience", provides comprehensive health protection for 3 Hong Kong customers and their families.



Following the launch of 5G network service in April 2020, **3** Hong Kong introduced 3Care protection platform, characterised by "Care", "Commitment" and "Convenience", which provides comprehensive health protection for customers and their families. One of the initiatives was partnership with Bowtie Life Insurance Company Limited to extend **3** Hong Kong's portfolio from digital lifestyle services to medical services. Virtual medical plans were offered to all age groups. Subscribers to the plans were eligible for unlimited visits to a healthcare network comprising more than 1,000 general practitioners and Chinese medicine practitioners in Hong Kong at member-exclusive rates.

In late 2020, **3** Hong Kong launched the SoSIM prepaid SIM card exclusively at 250-plus PARKnSHOP stores. This brand new product, possibly the best value in the local prepaid market, provides infinite 4G data for people from different walks of life who would like to be free from contractual obligation or to have a secondary SIM card.



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New sales channel "3@Fortress" was set up and rolled out at 26 Fortress outlets in Hong Kong, offering full 3Shop services, increasing sales and customer service channels. 3Mall, an online sales channel, actively promoted not only handsets and SIM cards but also a wide range of products to further deepen customer shopping experience and support customers' shifts in demand for digitalised products.



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**3** Hong Kong has also revamped the "5G Go Phone Club" to provide iPhone stock status and promotional information to both new and existing customers as well as to recruit early bird subscribers. Existing customers can enjoy not only prioritised reservation but also handset discounts if they subscribe to designated 5G service contracts.

### **Empowering Digital Solutions**

**3** Hong Kong offers diverse mobile communications and data solutions that create new digital value and unprecedented opportunities for consumers and businesses in the everchanging digital landscape. Corporate offers provide solutions for enterprises to forefront communication technology, enhance productivity and communications, meet compliance and security requirements, as well as to digitalise mode of working to reduce dependency on IT support and streamline operational processes.

The Group is devoted to help develop Hong Kong as a leading smart city. The 3Innocity programme supports start-up talents to develop and promote enterprise IoT solutions, and helps enterprises to enhance operations that ride on the ultra-fast 5G network service and advanced NB-IoT network technology provided by the Group.



3 Hong Kong collaborates with Microsoft Hong Kong to provide corporate customers with free subscriptions to Microsoft Office 365 applications and services.



"5G LIVE Up" broadcast solution offers low-cost yet reliable 5G live broadcasting experience.

In January 2020, **3** Hong Kong collaborated with CK Asset Holdings Limited ("CK Asset") to build CK Asset's first 5G-enabled shopping mall in Tsuen Wan. **3** Hong Kong plans to extend collaborations to other industries with the latest IoT applications, for example, data analytics and smart parking, bringing advanced user experience to corporates and mass customers.

In March 2020, **3** Hong Kong collaborated with Microsoft Hong Kong to provide corporate customers with free subscriptions to Microsoft Office 365 applications and services. This initiative is part of Microsoft Hong Kong's "#EmpowerHK Work-from-



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Anywhere Support Programme" to help enterprises transcend geographical constraints and enable staff to work from home with peace-of-mind and remain connected.

As part of a city-wide effort to promoting innovation, **3** Hong Kong joins force with HK Electric to develop a solution that enhances customers' understanding of electricity consumption habits. The solution takes advantage of **3** Hong Kong's supreme mobile network to provide secure and reliable data transmission to HK Electric's Advanced Metering Infrastructure scheme, which commenced in April 2020. Once deployed, the information available will facilitate customers to optimise their energy use, empowering them to protect the environment and supporting Hong Kong's transformation into a smart city.

In light of the trend for online entertainment, "5G LIVE Up" broadcasting solution targets and provides key opinion leaders (KOLs), buskers, yoga teachers as well as online tutors with low-cost yet reliable 5G live broadcasting experience. The ease of use and flexible pricing options facilitate subscribers to easily manage their business and attain potential growth in customer base and revenue.



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#### **Network Excellence**

Since 5G service launch in April 2020, the Group had remarkably surpassed expectations with the full deployment of its ultrafast, low-latency 5G network during the year. In addition to providing customers with 5G service in the 3500 MHz spectrum band, 14.8 MHz paired of spectrum in the 2100 MHz spectrum band has also been refarmed to enable a comprehensive 5G network coverage. The extensive territory-wide 5G radio sites coverage is evident in its widespread uses including major transportation systems, shopping malls, skyscrapers, hospital complexes, hotels and university campuses. This is a significant milestone in the development of the Group's mobile network, further strengthening its 5G network coverage and expanding smart solutions in the era of digital transformation.

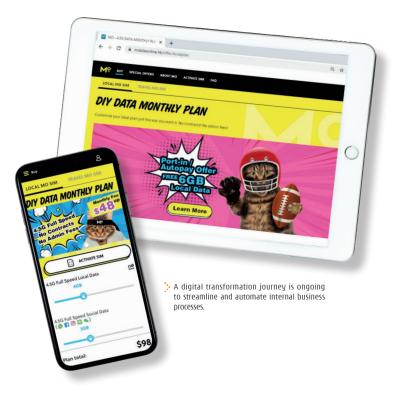
With the increasing popularity of live streaming and online videos, along with solutions requiring enhanced traffic load scaling, security and reduction in latency, a new Content Delivery Network was built in 2020 to support corporate solution projects with fast delivery and quality network experiences to end users.

The Group believes mobile network coverage and quality of customer experiences underpin the delivery of successful mobile services. An expansion project for new base stations has been kicked off in mid-2020. The project is expected to complete in 2021 significantly boosting the quality of mobile services and enhancing network coverage in spectacular and high traffic shopping malls, hotels and commercial complexes.

The Office of the Communications Authority intends to release 80 MHz of spectrum in the 4.9 GHz band, 70 MHz of spectrum in each of the 600 MHz band and 700 MHz band, and 15 MHz of spectrum in the 850 MHz band to the Hong Kong market in 2021 by way of auction as well 2500 MHz of spectrum in the 26/28 GHz bands for assignment. The Group continues to scrutinise and devote resources on spectrum investment for its 5G network development.

## **Digital Transformation**

A digital transformation journey is ongoing to streamline and automate internal business processes. **3** Hong Kong aims



to respond swiftly to market demands and to provide more lifestyle enhancing services through digital transformation projects. Improved analytics will provide **3** Hong Kong with real-time predictive capabilities. Furthermore, it will transform **3** Hong Kong's business operations to achieve an even greater degree of interaction with customers, enabling the Group to demonstrate business agility to ever-changing customer needs.



First digital transformation project on MO SIM introduced DIY plans for customers to customise their monthly subscription plans with a mix of local and social data.

The first digital transformation project on **MO** SIM was completed at the end of 2020 with enhanced features. Do-it-yourself (DIY) plans enable customers to customise their monthly subscription plans with a mix of local and social data which can be shared with friends through Data Peer-to-Peer Feature. These DIY customisations can be managed on My3 application in a breeze without the hassle of queuing up at a store.

#### Macau Development

**3** Macau continues to launch attractive products, including tricity (Macau-Hong Kong-Mainland China) pool sharing plans and high data entitlement plans at affordable prices to retain valued and loyal customers in the competitive mobile industry.

In view of growing demand for digital platforms in the mass market, **3** Macau enhanced its WeChat platform to provide similar features as My3 application for local customers and travellers from Mainland China. Both new and existing customers can receive sales and promotion updates from subscription to top-up services while existing customers can manage their accounts and bills through WeChat.

**3** Macau is committed to continuous enhancement of 4G LTE coverage and exploration of potential sales channels as well as preparation to introduce and roll out corporate solution offerings while enhancing the quality of customer experience and network service.



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