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SmarTone's response to the government's decision on 3G spectrum

Hong Kong, 15 November, 2013 - SmarTone is disappointed with the government's

decision to take back from incumbent operators one-third of the currently in use 3G

spectrum for auction.

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Throughout this consultation process, SmarTone has always stated that under Option 3

consumers will be worse off. Under the government policy announced today, costs will go

up for operators and consumers regardless of whether an operator retains or loses

one-third of the spectrum.

For operators losing the spectrum, they will incur higher costs for infrastructure in mitigating

the service quality degradation. Consumers will suffer lower quality service and increased

costs. The government consultant's report released today states there will be an up to

one-third reduction in speed at busy areas.

For operators retaining the spectrum, through the auction process, they will likely have to

pay more, again increasing their costs and ultimately mobile service charges for

consumers.

SmarTone considers that the government's policy is not in the public interest.

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