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Octopus Board Takes Actions to Maintain Customer Confidence in Company's Data Privacy Policies and Practices

(Hong Kong, 20 July 2010) The Board of Directors of Octopus Holdings Limited (OHL) today announced that it is taking a number of actions aimed at maintaining customer confidence in the company's data privacy policies and practices.

Board Special Committee

A Special Committee of the Board has been set up to carry out a full review of the company's data privacy and usage policies and practices. It will also carry out a survey of international best practices to assist in identifying and recommending areas for further enhancement.

The Special Committee will be chaired by OHL Independent Non-Executive Director Roger Luk B.B.S., JP., and will include OHL Independent Non-Executive Directors Professor Andrew Chan Chi-fai and Mr Alexander Reid Hamilton. The Special Committee will also appoint independent experts to support its review.

Making it Easier for Rewards members to Opt Out

Starting tomorrow, the company will begin to communicate with the 2.4 million Rewards members to inform them of the measures being taken by the Board, the confidentiality and data protection measures that are in force to protect their personal data and remind them of how they can opt out and not having their personal information used for any marketing promotion under the Rewards Programme. New methods have been created to make it easier for Rewards members to opt out, including a new opt-out box on the Octopus website. To opt out, members can now:

- Go to the Octopus website at https://www.octopusrewards.com.hk/profile/update/en/upd_step1.jsp and check the "opt-out" box in the "Contact Update" section;
- Call the Octopus Rewards hotline on 3690 1313; or
- Send a letter to Octopus Rewards Ltd at PO Box 38170, Hing Fat Street Post Office, Hong Kong.

Marketing Partnership

Pending the outcome of the review, no new contracts will be signed whereby customer information is shared with merchants.

Under the Octopus Rewards programme, there are currently two merchant partners, CIGNA and CPP, with whom customer information is shared to offer special insurance plans. Customer information is protected by strict confidentiality agreements in the partnership contracts and the Rewards programme works closely with the companies to ensure that the information is used only for designated marketing promotions and that it is returned or destroyed as appropriate afterwards.

Octopus Rewards will reinforce with both CIGNA and CPP the importance it places on the protection of customer data and privacy as well as the requirement to strictly adhere to the confidentiality clauses in the contracts.

"The trust of our customers is of the highest importance and we appreciate the public's concern over the protection of any personal information they share with us. We will be conducting an objective and independent review of the company's policies and practices and we will be seeking input from independent experts," said Mr Luk.

"The Octopus management will be working very closely with the Special Committee of the Board and will provide all the information available to facilitate them in conducting a comprehensive review. We hope the public will give the Special Committee the time needed to complete the review. It is our intention to address all the concerns and keep everyone informed," said Prudence Chan, OHL's Chief Executive Officer.

The Special Committee aims to complete its review in three months'

time and submit its findings and recommendations to the OHL Board. The information will be shared with the Hong Kong Monetary Authority, the Office of the Privacy Commissioner for Personal Data, other stakeholders and the public.

About Octopus Cards Limited

Launched in 1997, Hong Kong's Octopus is the world's leading and most extensive smartcard payment system, with over 3,000 service providers across different businesses including public transport, parking, retail, vending and kiosks, schools and leisure facilities, and access control for residential and commercial buildings. There are over 50,000 Octopus readers deployed in the market. Merchants and Octopus holders embrace Octopus for both its simplicity and its convenience. Today, more than 20 million Octopus cards and products are in circulation, and the system handles over 11 million transactions a day, with transaction value exceeding HK\$100 million. In recent years, Octopus has started to export its unique experience and technology overseas, offering consultancy services for parties from different parts of the world. Additional information can be found at www.octopus.com.hk.

Octopus Rewards Limited is a subsidiary of Octopus Holdings Limited.

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