

主席報告書

CHAIRMAN'S STATEMENT

過去一年，城市電訊經歷了極具挑戰的一年。市場加快開放、競爭日趨激烈，以及新電訊服務的不斷湧現，均促使業內所有經營商需為未來制訂新的發展策略。我們放眼未來，敢於接受挑戰，並為此展開了龐大的基建投資計劃。

雖然我們來自國際長途電話業務的收入錄得可觀增長並帶來盈利，但由於其他新業務需投入資源開拓市場，致使整體財務表現有所倒退。然而，期內出售附屬公司香港寬頻的部份股權後，為本公司帶來一項特殊收益。不過，我們仍需努力，好使我們的策略性投資能獲得預期的回報。

二零零一年財政年度的首要工作，便是要透過控制支出，整合網絡及審慎的資源分配來提高成本效益。本人有信心來年本集團的效率會進一步提升，並且為未來建立更穩固的財務基礎。

目前，我們是業內擁有最多用戶的經營商之一，且業務範圍廣闊，提供各類型的電訊及互聯網服務，長遠而言，此漸趨多元化的業務策略將會帶來更穩健的收入來源。

The past year was a challenging one for CTI. Increased industry liberalization continued competition and a flurry of new telecommunications products forced all of us in the industry to plot new strategies for the future. We took up the challenge and began an extensive investment programme of infrastructure with our sights set firmly on the future.

While our IDD business continued to show remarkable growth in revenue, and profit, our efforts in building market share in other business areas dragged down our overall financial performance.

Meanwhile, the sale of a stake in our Broadband subsidiary contributed an exceptional gain

to the Company for the year.

Nonetheless, we still have a lot of work to do to make our strategic investments pay off going forward.

One of our biggest priorities for fiscal 2001 will be to find more cost efficiencies through controlling expenses, network

savings and careful resources allocation. I am confident the Group will become a more efficient company next year, creating a balanced financial base for the future.

We now have one of the largest numbers of subscribers in the industry and our business encompasses a wide spectrum of the telecommunications and Internet industry. Going forward, this increased diversity should generate a stronger, and more balanced flow of revenue in the long term.

WE TOOK UP THE CHALLENGE AND BEGAN AN INVESTMENT OF INFRASTRUCTURE WITH OUR SIGHTS SET FIRMLY ON THE FUTURE.

敢於接受挑戰，並為 此展開了龐大的 基建投資計劃。

在增長迅速的電訊市場，我們抓緊機會，致力擴大覆蓋範圍及吸納客戶，本年度結束時，覆蓋率及用戶數目的增長，為我們在這個市場的發展打下堅實的基礎。憑著具競爭優勢的訂價策略、卓越的網絡質素，以及在新產品、新服務和新設施上的策略性投資，業務可望持續增長。

由於香港正朝知識型社會轉變，我們相信更多人將透過互聯網來增進知識，我們預期對先進的電訊應用技術和服務的需求將會大增。所以，我們的一個主要目標，投資發展網絡來增強優勢，憑藉新技術及投資建設本身的基礎設施，可讓本集團拓展從未涉足過的業務領域，以及推出更多其他增值服務。除了本公司的服務範圍不斷擴大外，自置設施的落成使用，均會令我們有能力把握住市場上更多的機會。

為迎接種種挑戰，城市電訊致力鞏固既有的優勢及尋找新的機會。本年度結束時，雖然本集團繼續保持在市場上的領導地位，同時為長遠發展打好基礎，但我們的工作還沒有完結，我們必須自強不息，同心協力為本集團建立更穩固的財政實力。憑著我們的新構想和新投資，城市電訊將會是一家實力更雄厚的公司，並且為股東帶來更高的回報。

主席

王維基

香港，二零零零年十一月二十七日

We have been quick to respond to market opportunities, build territory coverage and acquire customers in the fast-growing telecommunications market. By fiscal year end, our coverage and our subscriber base growth were providing a solid foundation in the market. With competitive pricing, superior network quality, and by making strategic investments in new products, services and infrastructure, we expect growth to continue.

As Hong Kong pushes towards a knowledge-based society, we think many will turn to the Internet to expand their knowledge. We anticipate great demand for innovative applications and services in telecommunications. One of our key objectives is to create more value from our network investments. By utilizing cutting edge technology and investing in our self-owned infrastructure, the Group will be able to expand its product range into previously untapped areas and a host of other value-added services. In addition to strengthening the variety of the Company's services, the advent of self-owned infrastructure will enable us to seize many market opportunities.

In the face of many challenges, CTI has solidified its inherent strengths and explored new opportunities. Towards year end, the Group managed to maintain a leading position in the market and established a good base for long-term development, but our work is not finished. We all have to persevere and pull together to put the Group in a stronger financial position going forward. With these new initiatives and investments, we will become a stronger company and bring greater value to our shareholders.

Wong Wai Kay, Ricky

Chairman

Hong Kong