PROSPECTS

At the same time as the Group was consolidating its business focus, it has been spending a great amount of money in constructing for the self-owned local wireless fixed network and offering services throughout the SAR. The Group is confident that with its large established customer base, new services would enjoy good response from the market.

While the trends in internet applications change rapidly, the importance of Internet and having access to the information superhighway is beyond question. The Group is testing various new applications such as telephone and television services using Internet protocol to enhance the array of services. These moves ensure consumers' demands for these cutting edge services can be met. The Group expects this investment to bring in rewards in near future.

Looking forward, the Group is well positioned to improve its overall performance and deliver greater shareholder value.