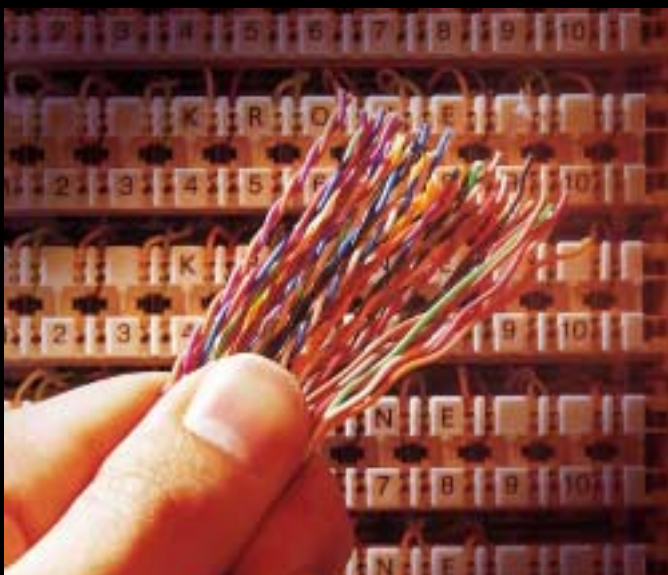




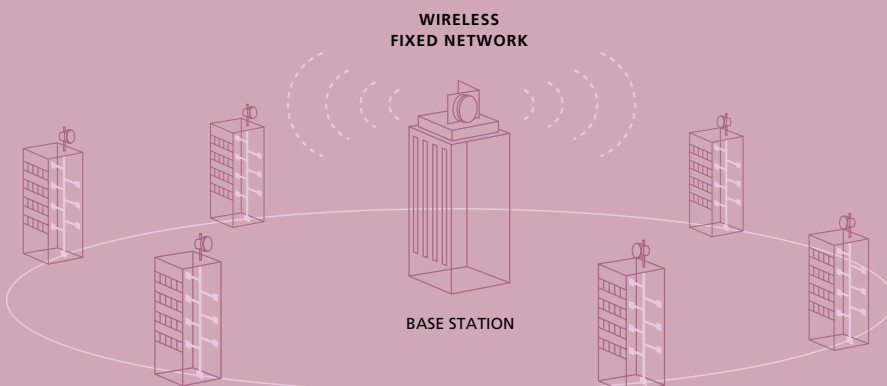
SELF-OWNED INFRASTRUCTURE





TO EXPLORE MORE OPPORTUNITIES

our key objective is to create more value from our network investments



More than **300 million** dollars will be invested in the coming two years on infrastructure network

主席報告書

CHAIRMAN'S STATEMENT

展望未來，我們會繼續 全力以赴，在電訊及互聯網市場的 各個領域中競爭。

回顧期內，集團採取果斷的企業策略，**集中拓展電訊業務**，全力加快無線固網基建；同時，由於市場尚未成熟，集團減少如電子商貿等非核心業務的投資。我們深信此舉將有助集團鞏固在電訊業上的根基，更有效地減低財務支出，以及提升整體業務表現。

透過上述策略，集團成功貫徹上半年的營運方針，**全年共錄得54,000,000港元的股東應佔溢利**。集團在國際長途電話及互聯網服務兩個範疇上尤為熟悉，因而表現驕人，促使我們對未來充滿信心，銳意邁步向前。我們的管理層將運用過去數載累積得來的寶貴經驗，確保集團前景明朗，並為各股東及全體員工帶來豐碩的未來。

長途電話及互聯網業務迅速擴展，全賴集團一貫的市場優勢，及積極鋪設的基建骨幹。我們早已高據香港兩大長途電話供應商中的一席，而此領導地位亦不斷得以鞏固——於去年財政年度底，**集團之對外國際通話量更超越20%之市場佔有率**，奠定我們另一成功的里程碑，印證我們不斷以具競爭優勢的價格來提供優質服務的成果。

普遍意見認為，長途電話業務邊際利潤因受激烈價格競爭而萎縮。有見及此，集團管理層透過大幅削減整體開支，達至有效地控制成本。此外，國內電訊市場日益開放，憑藉集團本身龐大的通訊容量，我們的議價能力大增，對我們的業務極為有利。因此，我們的**長途電話業務錄得14%的經營溢利**，成績令人鼓舞。另一方面，集團積極發展多元化服務，務求開拓更多收入來源，如推出預繳電話卡及國際漫遊服務等。管理層將繼續留意業內的各種變化，並採取適當的因應措施，以維持集團的市場領導地位。

憑藉以往累積的經驗，及運用先進基建，為客戶提供具專業知識的服務，令我們得以穩步拓展無線固網服務。全賴港府的支持，和物業業主及管理委員會通力合作，我們的網絡安裝工程可順利進行。集團預期至本年底，**網絡覆蓋將遍達500,000個住戶**，在云云以銅纜自行鋪設住宅樓宇佈線網絡（last meter）的固網營辦商當中，我們穩佔第二位。按現時發展形勢預計，明年底服務範圍將可覆蓋約1,200,000個住戶。

正如本人於上年度所言，我們展望在香港建立的資訊超級公路，現已漸成雛型。如此龐大的投資規模，足證本公司對此項嶄新及日見擴展的業務極具信心，擁有一個方便用戶、具成本效益的優質無線固網，令我們除了提供寬頻互聯網服務外，更可進一步提供本地電話及收費電視等電訊服務，這個市場潛在需求之大，實在無可置疑。

正因如此，我們傾力鋪設樓宇佈線銅纜網絡，比起其他依賴主要供應商租用網絡，而提供服務的經營對手，「香港寬頻」無疑更勝一籌。我們擁有無可匹敵的優勢，透過在入屋線段（last meter）所併發的強大網絡容量，為客戶提供服務。憑藉尖端科技及遠大目光，我們將可為客戶提供最佳服務，滿足不同需要。在此信念下，管理層深信今天的基建投資，迅即為集團帶來加倍的營運回報，並引領集團在這具增長潛力的範疇中，紮下堅實基礎。

全球電訊業前景仍然嚴峻，但集團將一如以往，以實際及頑強態度迎接種種挑戰和變化。展望未來，我們將以堅定的決心，面對市場上每一挑戰，並深信以結合本身的卓越科技、嚴謹管理及不懈不怠的工作效率，定必取得成功。

主席

王維基

香港，二零零一年十二月四日

Looking ahead, we will continue to compete vigorously in various areas of the telecommunications and Internet market.

During the year under review, the Group had adopted a strategy that **focused on driving telecommunications business** and building the wireless fixed network infrastructure, while moving away from non-core business such as e-commerce, which from the present vantage-point, was not ripen for the market. We believe this strategy helps to solidify our foundation in telecom sector and has significantly reduced the Group's financial outlay and improved its overall performance.

Under this strategy, the Group continued its profitability path of the first six months and finished the year with a **profit attributable to shareholders of HK\$54 million**. Reassured of our excellence in those businesses that we know best – IDD and Internet access, we look ahead determined and confident in the future. Our management team will use the valuable experience gained over the past few years to ensure the Group's future is bright and an exciting one for all of our shareholders and staff.

The Group's IDD and internet access businesses have been progressively expanded, benefiting both from our long standing market strength and a solid backbone infrastructure that we have been laying down diligently. We have long been one of the two significant players in Hong Kong IDD market and this position was further reinforced. At the end of the past financial year, our **IDD market share surpassed the 20% mark**, in terms of traffic volume. This is a true testimony of our success in continually offering quality services at competitive price.

The IDD market is always characterized by fierce price competition leading to tight margin. However, the management has successfully maintained its leadership by substantially trimming overall operating costs. Leveraging on a more open carrier market in China, our own tremendous traffic capacity has granted a larger buying power. Consequently, our **IDD business has recorded an encouraging level of 14% operating profit margin**. Furthermore, additional sources of revenue have been pursued by more diversified services such as the launch of prepaid cards and mobile roaming services. Management will continue to watch the changes shaping the industry and takes the necessary steps to maintain this leading position.

In keeping with how we have built our business in the past, from a solid base of state-of-the-art infrastructure and providing services we know best, we have steadily expanded our wireless fixed network. Thanks to government support and better co-operation from building owners and management committees, the installation of our network has progressed very smoothly. By this year end, our network will achieve a **territory penetration of 500,000 home pass**, putting us firmly in the number two position as a fixed network operator providing in-building blockwiring telecommunications access (the last meter) via copper-wire connectivity in residential market. Following that trend, we expect our home pass penetration to reach 1.2 million by the end of next year.

Our vision of building an information superhighway in Hong Kong, which I outlined in our last annual report, is thus gradually taking shape. An investment of such a scale confirms the Company's confidence that the new and expanded business is highly promising given the demand potential of user-friendly, cost-effective and quality network services. This enables us to offer not just Internet broadband service but an array of telecommunications products, such as local telephony, pay-TV to a high percentage of Hong Kong's population.

At this point, it stands us in good stead to build our own in-building connection-ready capability, whereas other rivals rely on leased services from the existing dominant incumbent. We possess an unrivalled competitive advantage that allows us to serve potential customers by unleashing our strong cabling capacity in the last meter. With our grasp of the latest technology and our vision, we will strive the best to meet the needs of our potential customers. With this in mind, the management believes the investment committed today will soon bring in more operating revenue and position us in a sector that will see colossal growth in the very near future.

The telecommunications market has not been easy. As in the past, the Group braced for harsh and dynamic changes and responded with practicality and tenacity. In future, we will meet the market's challenges with resolve and we expect to succeed, with superior technology, managerial rigor and relentless efficiency.

Wong Wai Kay, Ricky

Chairman

Hong Kong, 4th December, 2001