

Business Outlook

The pessimistic economic atmosphere has been further damaged by the SARS. The recovery of the economy will inevitably be delayed. Under the current situation, the Group will focus on reducing the operating cost, enhancing the revenue from existing operations, and continue to dispose assets which may not generate return in the short run.

As an attempt to enhance the revenue, the Group will explore to develop new partnerships. Many companies in Hong Kong have an established local client base, and many of them also have a broad network to access clients and deliver goods and services. The Group believes that these companies are potentially partners of the Group. The Group can empower these companies to issue calling cards to generate additional revenue without investing into the infrastructure of an IDD calling card business. Under this model, co-brand cards will be issued by the Group. Our partners will contribute the sales and marketing network, while the Group will provide the infrastructure and handle all technical matters. Our partners can share a portion of the revenue and enjoy a long-term recurrent return. The Group will also explore the corporate IDD market and develop innovative plans for SMEs to enjoy a flexible and economic IDD services. These attempts, if successfully launched, will enhance the Group's turnover and hence improve the cash flow of the Group.