

Telecommunications





NWM — the subscriber base exceeded 1.1 million

New World Mobility

As at 30 June 2003, the subscriber base of New World Mobility (“NWM”) had grown to 990,000 from 720,000 at June 2002, representing a 37.5% increase. By the end of September, the number of subscribers has already exceeded 1.1 million.

With the growing subscriber base, NWM’s market share increased to 16% while the net ARPU was around HK\$210. During the year, NWM improved profitability by using stringent control over operational expenses, and achieving substantial growth in prepaid customers to over one-third of the total subscriber base. The launch of various data applications, such as ‘Twins Mobile’ and ‘Star Mobile’ made significant contribution to the upsurge of NWM’s revenue and prepaid customer subscriber numbers.

During the fiscal year, NWM continued to bring innovative services to its customers. The successful marketing campaigns generated a high level of market attention and reinforced the brand

positioning as an innovative service provider. The enthusiastic market response to the services not only boosted NWM’s non-voice revenue, but also proved the success of NWM’s strategy in providing tailored services for different market segments.

To name a few, NWM had launched the first video-streaming services in town — ‘HomeCare Mobile Viewing Service’ and ‘TrafficWatcher’ to provide mobile phone users with live broadcast of real-time video via General Packet Radio Service (“GPRS”) network. NWM also tapped into the youth market by introducing various mobile entertainment services, ranging from ‘Sight’n Sound MMS’, ‘Mobile GameZone’, ‘WarZone’, and ‘Twins Mobile’ to ‘Star Mobile’.

In order to enlarge the network capacity for its expanding subscriber base, NWM had invested over HK\$140 million in upgrading its network. A new switch center equipped with state-of-the-art equipment was commissioned in Kwai Chung in February 2003.

NWM has a coherent strategy to embrace future developments in mobile communications and will continue to leverage its partners’ expertise to bring pioneering mobile services to the market via advanced mobile technology. NWM will also continue to exercise stringent cost control while exploring new sources of revenue.



New World Telecommunications

New World Telecommunications Limited (“NWT”) continues its effort to strategically evolve itself into a regional telecom network service provider offering a spectrum of telecom services to customers throughout Greater China, Asia Pacific and beyond. NWT has secured facilities-based telecom licenses and established Point of Presence (“POP”) network facilities in the United States, Taiwan and the United Kingdom. New branch offices in Mainland China (Beijing, Shanghai, Guangzhou and Shenzhen), Taiwan and the United States (Los Angeles and New York) are now operational.

On fixed-line services, NWT has acquired over 162,500 lines as at June 2003, representing a 65% growth compared with the same period last year. The major customers using the NWT fixed-line services include American Express Bank, AIA, AIG, Bank of America, Midland Realty, Shell, Nortel Networks and Immigration Department of the Hong Kong Government.

Currently, the network coverage of NWT’s fixed-line services has extended to 18 districts and covered

10,553 buildings or over 1 million home passes in Hong Kong’s major business and residential areas.

NWT has established bilateral relationships with 29 renowned international carriers in 16 countries/destinations. NWT is a significant player in the wholesale international voice market covering over 80 local and international operators and carriers.

For the IDD 009 international calling service, over 1.1 million customers were registered as at June 2003. NWT’s IDD service covers over 260 countries/destinations around the world and its market share has reached at 18% with 740 million minutes traffic during the period under review, a 42% growth compared with the same period last year. In June 2003, NWT also launched a new IDD service “Global Conferencing Services” that provided a new income stream for NWT.

On data services, NWT launched “Vitamin”, a premium up to 12 Mbps symmetrical residential broadband service powered by Cisco Systems technology and deployed over the NWT Next-Generation Network (“NGN”). To complement this broadband service, NWT also launched a broadband portal, “www.vitaminbb.com”, to provide a cornucopia of the latest interactive and multimedia content to enrich customer lifestyles. The launch of the ‘Vitamin’ broadband service represents yet another pioneering initiative in NWT’s commitment to providing best-in-class telecommunication services to the Hong Kong market alongside its NGN services which were rolled-out in December 2002.

Premium wireline and wireless broadband services tailored for the hotel industry were also launched in Hong Kong. Many well-known hotels such as Royal Garden, Hotel InterContinental Hong Kong, Grand Hyatt Hong Kong, Renaissance Harbour View Hotel and New World Renaissance Hotel adopted these services during the period under review.

With expanding network coverage within Hong Kong and beyond, both IPLC and MPLS IP-VPN services reported a significant growth in market share during the last fiscal year. Major customers include Bank of China Credit Card, Ernst & Young, Lehman Brothers, Samsung Logistic, Moneyline Telerate, Gucci Group and Chow Tai Fook Jewellery.

In order to provide best-in-class quality services, NWT makes continued upgrade on its infrastructure. Network resilience had been enhanced by increasing diversity in the major backbones such as the submarine cable between Chek Lap Kok and Tuen Mun, secondary route for North Lantau Route. A third Nortel DMS-100 switch with total switching capacity to 200K lines was put into service to serve more customers in the growing market share.

The NGN powered by Nortel's soft switch was deployed to bring cost-effective and integrated voice and data services to customers. In addition, the Dense Wavelength Division Multiplexing system was deployed to substantially increase capacity on existing fibre network and facilitate the transmission of new high-speed data services.

As an international telecom network service provider, NWT continues to expand its market coverage by teaming up with various strategic partners such as wholesale carriers, system integration vendors, channel and financial partners. As part of the network expansion plan, NWT plans to obtain further telecom licenses and establish POP facilities in South Korea, Japan and Australia (Sydney) in 2003/04.

To capture the significant revenue opportunities emerging throughout Mainland China and beyond following China's successful WTO accession and CEPA with Hong Kong, NWT is set to build its presence in the system integration market in Greater China by forming strategic relationships with renowned IT suppliers.