



Telecommunications

# Telecommunications

## New World Mobile Holdings Limited ("NWM")

The subscriber base of New World Mobility grew from 1.25 million in June 2004 to 1.35 million in June 2005, representing a growth of 8%. This moderate growth was due to the substantial growth in the prepaid subscribers was higher than the drop in subscriber number caused by the termination of an MVNO contract in October 2004. New World Mobility managed to maintain a steady income thanks to the increasing roaming revenue, as well as the growing revenue from various mobile data services and handset sales.

During the year under review, the aggressive pricing strategy of 3G services and handsets has fueled the acute competition of the mobile market and adversely affected the revenue of New World Mobility despite the improving economic situation.

In order to enhance ARPU and revenue, New World Mobility continues to introduce innovative mobile data services such as "Press 'n Talk" and "Video-on-the-move" news and entertainment video services. Over the period, HK\$141 million has been invested in upgrading the network in a bid to stay technologically competitive as well as enlarging the capacity for the expanding subscriber base.

As part of the ongoing strategy, New World Mobility continues to provide customers with pioneering data services to meet the needs of different market segments. With the aim to provide superb services for the customers, New World Mobility will also put continued effort in upgrading network quality and improving customer services. Before the genuine market needs of 3G services increase, New World Mobility believes that in partnership with renowned content providers to provide customers with innovative data services via our existing 2.5/2.75G network remains to be the most cost-effective way to stay competitive and is in the best interest of our customers.

In order to capture the growing demand for mobile internet services in Mainland China, NWM acquired New World CyberBase Solutions to obtain a portfolio of innovative mobile products and services.



## New World Telecommunications Limited ("NWT")

NWT transformed from a traditional telecom carrier into a next generation IP and telecom service provider, offering a mixture of voice, data and content services.

During the year under review, data business and IP-based services recorded a significant growth. New data and content services brought a wide spectrum of diversified and pioneering broadband value-added services beyond connectivity, to name a few: Yahoo!Hong Kong - NWT BizNet Service, NWTbiz.com, NetTalk Digital Telephony, NWT bb and NWTmusic.com.

Meanwhile, NWT proactively partnered with local and global IT and telecom powerhouses and content providers to extend its service portfolio and global reach. To enable high-speed and reliable Internet Connections, NWT also joined hands with major local broadband service providers in establishing Private Internet Peering Agreement.

Riding on its state-of-the-art Next Generation Network, NWT will focus on developing new growth businesses ranging from communications services, digital telephony, infotainment to e-commerce services for both Consumer and Business markets.

