

## CHAIRMAN'S STATEMENT



The financial year ended on 30 June 2006 was a year of change for the Group.

On 31 March 2006, the Group completed the merger of its mobile communications arm, which operated under the trade name "New World Mobility", and Telstra CSL Limited and its subsidiaries, and as a result, holds 23.6% of the shares of the resulted merged group, comprising CSL New World Mobility Limited and its subsidiaries (collectively, the "CSL NWM Group"). We believe the merger will enable the two mobile communications operators to achieve cost saving by rationalising expenditures and accelerating the development and launch of new products and services. This, in turn, will enable the merged business to achieve continuous business growth in the highly competitive mobile communications market in Hong Kong. The management of the Group will continue their support to the CSL NWM Group by providing valuable inputs on the local mobile communications business.

By acquiring New World CyberBase Solutions (BVI) Limited and its subsidiaries in October 2005, the Group has expanded its operation in Mainland China by entering into technology related business. The newly acquired arm mainly provides innovative mobile Internet services such as multimedia messaging services. With the growing number of Internet users and mobile users in Mainland China, we have confidence in the long-term growth of the mobile Internet business in Mainland China.

**Dr. Cheng Kar Shun, Henry**  
*Chairman*

Hong Kong, 10 October 2006