

Telecommunications

New World Mobile Holdings Limited ("NWMH")

The merger between New World Mobility and Telstra CSL Limited was completed on 31 March 2006. Immediately after the completion of the merger, NWMH has 23.6% shareholding in the merged company, CSL New World Mobility Group, which continues to operate the mobile telecommunications businesses of the merged entity. The Group has booked an effective gain of HK\$555.4 million for this transaction.

During the period under review, NWMH acquired New World Cyberbase Solutions ("NWCS") which is principally engaged

in mobile Internet business in Mainland China. Multimedia messaging service ("MMS") product and wireless application protocol ("WAP") services are the major contributors to NWCS's revenue. NWCS has spent much sales and marketing efforts to enhance market presence. As at 30 June 2006, number of monthly subscribers reached over 270,000. of which over 90% being MMS and WAP

subscribers. Product portfolio was enriched to retain and attract subscribers.

New World Telecommunications Limited ("NWT")

To cope with the new competition landscape, NWT has transformed from a traditional telecom carrier into a next generation IP and telecom service provider, offering a portfolio of voice, data and content services to both business and individual customers.

During the year under review, a series of data business and IP based services, namely "Search 'n Click", "NWT Hosted Exchange" and "PC Defense", were launched to the market. "Search 'n Click" is a search marketing service which has

received overwhelming responses from local enterprises. "NWT Hosted Exchange" is the first managed e-mail service in Hong Kong, and "PC Defense" is an easy-to-use and flexible managed security service.

Riding on its Next Generation Network, NWT will continue its focus on offering customer-focused, innovative and quality integrated communications, digital media and managed services to the customers. Meanwhile, NWT will keep on exploring and collaborating opportunities of strategic partnerships with well-known local and international IT and telecom service providers, in order to enrich the entire service scope, to improve service quality, as well as to provide competitive and quality converged communications services.

