

Strategic Businesses

CSL NEW WORLD MOBILITY GROUP (“CSLNW”)

CSLNW is a Hong Kong-based mobile group which was formed in March 2006. CSLNW operates in the highly competitive Hong Kong mobile market, with the CSL business being one of Hong Kong’s premium providers of mobile voice and data services and New World PCS targeting value conscious customers with a low cost business model. The merged entity provides a broad customer base for growth.

In order to streamline the Group’s structure, a wholly owned subsidiary of the Group acquired 23.6% of CSLNW from New World Mobile Holdings Limited (“NWMHL”) in January 2007. After the acquisition, the Group disposed all its interests in NWMHL.

Total income of CSLNW increased by 26.8% to \$6,104 million in FY2007, largely due to the additional revenue generated as a result of the inclusion of the New World PCS business from March 2006. The remaining growth was a result of increased activity, driven by rising data, international voice, mobile virtual network operator (MVNO) and prepaid revenues, offset by a decline in local voice revenues after sustained pressure on prices. Mobile handset revenue also increased after recent handset promotions.

NEW WORLD TELECOMMUNICATIONS LIMITED (“NWT”)

During the period under review, NWT reported a loss due to intense competition in the fixed-line telecommunications market.

Extending its position as the next generation IP and telecom service provider in town, NWT will focus on three business streams, namely telecom services, ICT (information and communication technology) services and iMedia solutions (e-business). With the establishment of two dedicated business units and extensive partnerships with renowned companies, NWT will maximize its momentum on “NWT Hosted Exchange” and “Search’n Click” services.

NWT will keep on developing its capability in deploying Broadband Wireless Access technologies to provide high quality IP services and act as a cost effective means of last mile access to many buildings in Hong Kong. In addition, NWT will continue to explore different partnership and cooperation opportunities with the Group companies to offer innovative services to these companies as well as their clients.



NEW WORLD CHINA ENTERPRISES PROJECTS LIMITED (“NWCEP”)

NWCEP is the investment and project manager of the New World Enterprise Holdings Limited group (“NWEH”). NWEH invests in industrial projects in Mainland China and Hong Kong, involving in sectors such as industrial manufacturing, consumer goods production, production management and retail distribution chain stores, etc. One of the mandates of NWCEP is to identify strategic investment opportunities in high growth companies with listing potential. NWCEP also acts as the project manager for a China-focused private equity fund, namely New World Liberty China Ventures Limited (“NWLCV”).

During the period under review, NWLCV invested in four companies, namely Chigo Holding Limited, one of the leading integrated manufacturers of residential and commercial air-conditioner in China; Tianneng Power International Limited, a leading motive battery producer in China’s personal transportation device market; Come Sure Development Limited, one of the largest manufacturers of paper products in Guangdong Province, providing comprehensive packaging and printing solutions and paper-based packaging products to its customers; and Gerber Far East 1959 Limited, a supply chain service provider for premium giftware and promotional items, with a specialization in ceramic and glassware goods.

NEW WORLD TMT LIMITED

The Group won the PrediWave litigation in December 2006 and a provision of approximately \$1.6 billion has been written back for the year ended 30 June 2007. The amount that can eventually be recovered is uncertain.