

Telecommunications and Information Technology



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SmarTone

SmarTone registered a continued increase in service revenue and encouraging growth in operating profit despite intensifying price competition in Hong Kong's mobile market. Net profit for the year increased by 125 per cent to HK\$158 million. The company had 1,077,000 customers in Hong Kong as at 30 Jun 2007 and its 3G subscriber base currently accounts for over 30 per cent of postpaid customers.

The company has established its position as the premium mobile operator in Hong Kong with its focus on delivering a superior customer experience. It has been leading the way in network performance, innovation and customer service, and its enhanced customer profile is reflected in an increase in ARPU and data revenue in a very competitive market.

SmarTone continues to lead in innovative service propositions. It was the first operator to introduce a true Internet experience on mobile, and it started a unique service addressing the needs of teenagers and their parents.

The company will continue to focus on further improving cost efficiency in all areas of operation. The rapid advancement of technology and the increasing convergence of communications and media offer new challenges as well as opportunities for innovative services. The company is well placed to drive revenue growth by continually enriching customers' mobile lifestyles and addressing all their communication needs. SmarTone is in a strong financial position to pursue this strategy and to compete vigorously in the market.

The Group is confident in the company's prospects and will maintain its interest as long-term strategic investment.



World-class data centre facilities and services offered by SUNeVision subsidiary iAdvantage.

Information Technology

SUNeVision continued to be profitable during the year, recording a profit attributable to equity holders of the company of HK\$204 million. Revenue increased by 17% over the last financial year. Factors contributing to the increase included higher revenues from the company's data centre and last-mile connectivity businesses.

iAdvantage continued to strengthen its leadership position in carrier-neutral data centre facilities and services in Hong Kong and the Mainland during the year. The business continued to meet the needs of global financial services firms, telecommunications providers, IT service providers, multinational corporations, and government authorities with its world-class facilities and services. Overall data centre occupancy was approximately 82 per cent, an improvement over that in the last financial year.

The company's consumer enabling and property-related technology businesses in Hong Kong and the mainland continued to deliver value-added services to their customers. Productivity improved and the parent company's strong brand name and property heritage continued to provide valuable leverage.