



To whom it may concern,

Messaging Technologies (H.K.) Limited offers mobile content such as ring-tones and wallpaper to mobile operators in Hong Kong's highly developed mobile market. As such, we wish to share our humble thoughts for consideration in response to OFTA's second Consultation Report regarding the licensing policy for mobile services as we believe that it is relevant to us.

Compared to the rest of the world, the number of mobile telephone operators in Hong Kong as a ratio to its market size is already too high. This is even before adding one more licensee as proposed by OFTA to the six that are currently already in place. Take Taiwan for example, its population is about 30 million and there are only three operators. Our motherland China has a population of 1.3 billion served by two operators. There's no place in the world that comes close to the situation in Hong Kong.

Hong Kong's population is approximately 7 million, with the number of mobile phone users at a similar figure. Of these, around 1-2 million who are frequent travelers and these people use pre-paid cards primarily and cannot be counted as the target market for the local operators. That leaves us with about 4 million plus. Seven operators are just too many.

With CDMA, 2G and now 3G service offerings in the market already, consumers are not without choices. Undoubtedly, it is always good for consumers to have more choices but we do not see how adding a licensee could achieve that. In fact, the opposite is truer, as a small user revenue base per mobile operator stifles development. Mobile operators are subcontracting us for service and content provision and with each one our connectivity and operational costs increase.

Simply said, there are too many players in such a small market already and this has already created excessive and unnecessary competition, leaving no incentive for operators to invest further in innovative services. What we want is a focused and dynamic market.

One more operator means one more party for us to invest time, energy and resources to win the business, and more direct costs for connectivity and operations when business is engaged. It is inefficient to spend the time and resources to negotiate with so many

---

MESSAGING TECHNOLOGIES (H.K.) LIMITED 萬捷通科技有限公司

8/F Malaban Centre 8-12 Stanley Street Central Hong Kong SAR 香港中區士丹利街8-12號萬利豐中心8樓  
Tel: +852 2135 8100 Fax: +852 2135 8109 E-mail: info@mtchhk.com Web-site: www.mtechhk.com



operators.

On top of that, we are hesitant to invest given the overly competitive landscape resulting in reduced profit levels, and an unclear operating environment in the future.

Thank you for your kind attention.

Faithfully,

For and on behalf of  
Messaging Technologies (H.K.) Limited

Eddie Tsui  
General Manager

---

**MESSAGING TECHNOLOGIES (H.K.) LIMITED 萬捷通科技有限公司**

6/F Malahan Centre 8-12 Stanley Street Central Hong Kong SAR 香港中環士丹利街8-12號萬捷通中心6樓  
Tel: +852 2135 8100 Fax: +852 2135 8109 E-mail: info@mtechhk.com Web-site: www.mtechhk.com