

## Financial Highlights

For the year ended 31 December

	<b>2006</b> <b>RMB'000</b>	2005 <i>RMB'000</i>	Increase %
Turnover			
Sales of telecommunication products			
Communication terminal equipment			
Public telephone booths	<b>224,064</b>	197,511	13.4
Public telephones	<b>91,278</b>	94,097	(3.0)
Wireless business telephones	<b>74,837</b>	71,368	4.9
	<b>390,179</b>	362,976	7.5
Intelligent electronic products			
Smart card vending machine	<b>222,760</b>	144,793	53.8
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Communication transmission connection products			
ODFs	<b>10,236</b>	7,400	38.3
Optical passive devices	<b>46,968</b>	42,714	10.0
	<b>57,204</b>	50,114	14.1
Sales of telecommunication crediting cards	<b>328</b>	-	N/A
	<b>670,471</b>	557,883	20.2
Gross Profit	<b>276,242</b>	231,840	19.2
Profit attributable to shareholders	<b>184,382</b>	146,969	25.5
Shareholders' Equity	<b>701,308</b>	311,767	124.9
Total assets	<b>758,237</b>	378,396	100.4
	<b>2006</b> <b>RMB cents</b>	2005 <i>RMB cents</i>	Increase %
Earnings per share - Basic <i>(note 1)</i>	<b>19.54</b>	18.84	3.7
Net asset value per share <i>(note 2)</i>	<b>67.60</b>	39.97	69.1

Notes:

1. The calculation of earnings per share for the year ended 31 December 2006 is based on the profit attributable to shareholders and the weighted average number of ordinary shares in issue during the year. The calculation of basic earnings per share for the year ended 31 December 2005 is based on the profit attributable to shareholders for the respective periods and on the assumption that 780,000,000 shares were deemed to have been issued or issuable throughout the relevant periods, comprising 60,000,000 shares in issue as at the date of the prospectus and 720,000,000 shares to be issued to the Capitalisation Issue. Details of the calculations for the years ended 31 December 2006 and 2005 are set out in note 8 to the financial statements.
2. The calculation of net asset value per share for the year ended 31 December 2006 is based on the shareholders' equity and the total number of ordinary number in issue as at 31 December 2006. The calculation of net asset value per share for the year ended 31 December 2005 is based on the shareholders' equity and on the assumption that 780,000,000 shares were deemed to have been issued as at 31 December 2005.

## Financial Highlights

Year ended 31 December

	2006	2005
Return on equity	<b>26.3%</b>	47.1%
Return on total assets	<b>24.3%</b>	38.8%
Current ratio	<b>12.03</b>	5.37
Gearing ratio (Note 1)	<b>0.01%</b>	4.5%
Debt to equity ratio	<b>N/A</b>	N/A
Gross profit margin	<b>41.2%</b>	41.6%
Net profit margin	<b>27.5%</b>	26.3%
Average inventory turnover (Note 2)	<b>10.1 days</b>	11.3 days
Average trade receivable turnover (Note 3)	<b>88.0 days</b>	71.9 days
Average trade payable turnover (Note 4)	<b>10.6 days</b>	10.8 days

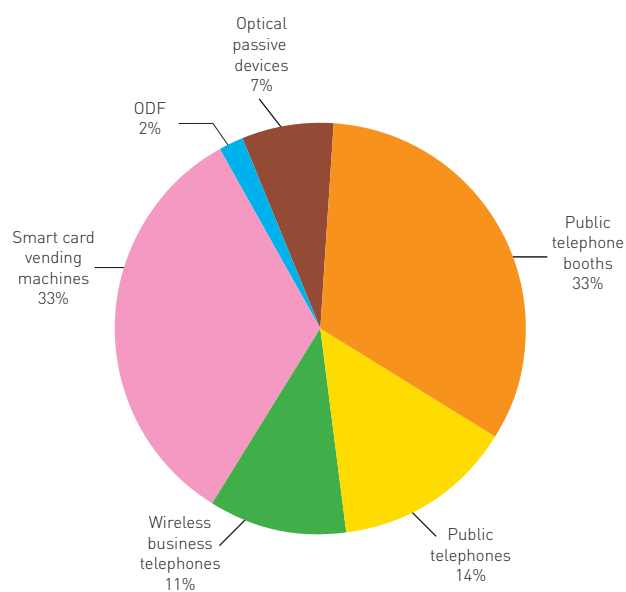
Notes:

1. The calculation of gearing ratio is based on the total borrowings divided by total assets at the relevant year end dates;
2. The calculation of average inventory turnover is based on the average of opening and closing inventory balance divided by turnover and multiplied by 365 days;
3. The calculation of trade receivable turnover is based on the average of opening and closing balance for trade receivables, net of VAT, divided by turnover and multiplied by 365 days;
4. The calculation of trade payable turnover is based on the average of opening and closing for trade payables divided by total purchases and multiplied by 365 days.

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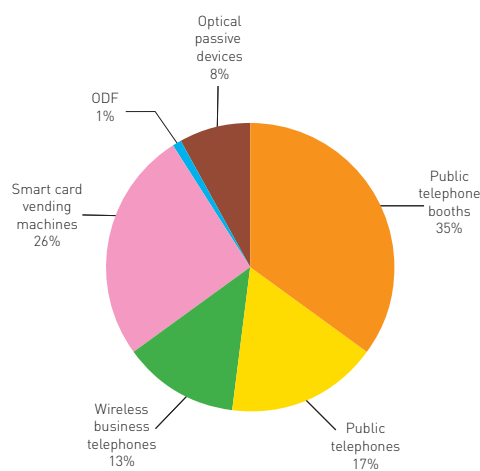
## BREAKDOWN OF TURNOVER

Year ended 31 December 2006



Total: RMB670.5 million

Year ended 31 December 2005



Total: RMB557.9 million