Financial Highlights

For the year ended 31 December

Public telephones 91,278 94,097 (3.0 Wireless business telephones 74,837 71,368 4.5 390,179 362,976 7.5 Intelligent electronic products Smart card vending machine 222,760 144,793 53.6 Communication transmission connection products ODFs 10,236 7,400 38.3 Optical passive devices 46,968 42,714 10.0 Sales of telecommunication crediting cards 328 - N/A Gross Profit Profit attributable to shareholders 276,242 231,840 19.2 Shareholders' Equity Total assets 701,308 311,767 124,59 2006 <i>RMB cents</i> 2005 2005 Increase RMB cents % Earnings per share - Basic (note 1) 19,54 18.84 3.7		2006 <i>RMB'000</i>	2005 <i>RMB`000</i>	Increase %
Communication terminal equipment 224,064 197,511 13.4 Public telephones 91,278 94,097 13.0 Wireless business telephones 74,837 71,368 4.5 Intelligent electronic products 390,179 362,976 7.5 Smart card vending machine 222,760 144,793 53.6 Communication transmission connection products 10,236 7,400 38.3 ODFs 10,236 7,400 38.3 Optical passive devices 10,236 7,400 38.3 Gross Profit 57,204 50,114 14.1 Sales of telecommunication crediting cards 328 - N/A Frofit attributable to shareholders 276,242 231,840 19.2 Shareholders' Equity 701,308 311,767 124.5 Total assets 2005 Increase 78.896 100.4 Earnings per share - Basic (note 1) 19.54 18.84 3.7	Turnover			
Public telephone booths 224,064 197,511 13.4 Public telephones 91,278 94,097 13.0 Wireless business telephones 74,837 71.368 4.5 Intelligent electronic products 390,179 362,976 7.5 Smart card vending machine 222,760 144,793 53.8 Communication transmission connection products 10,236 7,400 38.3 ODFs 10,236 7,400 38.3 Optical passive devices 10,236 7,400 38.3 Gross Profit 557,204 50,114 14.1 Sales of telecommunication crediting cards 328 - N/A Frofit attributable to shareholders 276,242 231,840 19.24 Shareholders' Equity 701,308 311,767 124.55 Shareholders' Equity 701,308 311,767 124.55 Total assets 2005 Increase 9 Earnings per share - Basic (note 1) 19.54 18.84 3.7	Sales of telecommunication products			
Public telephones 91,278 94,097 (3.0 Wireless business telephones 74,837 71,368 4.5 390,179 362,976 7.5 Intelligent electronic products Smart card vending machine 222,760 144,793 53.6 Communication transmission connection products ODFs 10,236 7,400 38.3 Optical passive devices 10,236 7,400 38.3 Sales of telecommunication crediting cards 328 - N/A Sales of telecommunication crediting cards 328 - N/A Gross Profit Profit attributable to shareholders 276,242 231,840 19.2 Shareholders' Equity Total assets 701,308 311,767 124,59 2006 <i>RMB cents</i> 2005 2005 Increase RMB cents % Earnings per share - Basic (note 1) 19.54 18.84 3.7				
Wireless business telephones 74,837 71,368 4.5 Intelligent electronic products Smart card vending machine 390,179 362,976 7.5 Intelligent electronic products Smart card vending machine 222,760 144,793 53.6 Communication transmission connection products ODFs ODFs 10,236 7,400 38.3 ODFs ODFs 10,236 7,400 38.3 Sales of telecommunication crediting cards 328 - N/A Sales of telecommunication crediting cards 328 - N/A Gross Profit Profit attributable to shareholders 276,242 231,840 19.2 Shareholders' Equity Total assets 701,308 311,767 124.5 Shareholders' Equity Total assets 701,308 311,767 124.5 Earnings per share - Basic (note 1) 19.54 18.84 3.7				13.4
Intelligent electronic products Smart card vending machine 390,179 362,976 7.5 Intelligent electronic products Smart card vending machine 222,760 144,793 53.8 Communication transmission connection products ODFs Optical passive devices 10,236 7,400 38.3 Communication transmission connection products ODFs 10,236 7,400 38.3 Communication transmission connection products 57,204 50,114 10.0 Sales of telecommunication crediting cards 328 – N/A Gross Profit Profit attributable to shareholders 276,242 231,840 19.2 Shareholders' Equity Total assets 701,308 311,767 124.9 2006 <i>RMB cents</i> 2005 Increase RMB cents % Earnings per share - Basic (note 1) 19.54 18.84 3.7				(3.0)
Intelligent electronic products Smart card vending machine 222,760 144,793 53.6 222,760 144,793 53.6 222,760 144,793 53.6 Communication transmission connection products ODFs Optical passive devices 10,236 7,400 38.3 Additional passive devices 10,236 7,400 38.3 Optical passive devices 46,968 42,714 10.0 Sales of telecommunication crediting cards 328 - N/A Gross Profit Profit attributable to shareholders 276,242 231,840 19.2 Shareholders' Equity Total assets 701,308 311,767 124.5 RMB cents' RMB cents 2006 2005 Increase RMB cents 97 18.84 3.7	Wireless business telephones	74,837	71,368	4.9
Smart card vending machine 222,760 144,793 53.6 Communication transmission connection products ODFs ODFs 10,236 7,400 38.3 Optical passive devices 46,968 42,714 10.0 Sales of telecommunication crediting cards 328 - N/A Gross Profit Profit attributable to shareholders 276,242 231,840 19.2 Shareholders' Equity Total assets 701,308 311,767 124,59 2006 RMB cents 2005 Increase RMB cents 2005 Earnings per share - Basic (note 1) 19,54 18.84 3.7		390,179	362,976	7.5
222,760 144,793 53.8 Communication transmission connection products ODFs Optical passive devices 10,236 7,400 38.3 Optical passive devices 46,968 42,714 10.0 57,204 50,114 14.1 Sales of telecommunication crediting cards 328 - N/A 670,471 557,883 20.2 Gross Profit Profit attributable to shareholders 276,242 231,840 19.2 Shareholders' Equity Total assets 701,308 311,767 124.9 2006 <i>RMB cents</i> 2005 Increase RMB cents % Earnings per share - Basic (note 1) 19.54 18.84 3.7				
Communication transmission connection products ODFs Optical passive devices 10,236 46,968 7,400 42,714 38.3 10,236 42,714 Sales of telecommunication crediting cards 57,204 50,114 14.1 Sales of telecommunication crediting cards 328 - N/A Gross Profit Profit attributable to shareholders 276,242 231,840 19.2 Shareholders' Equity Total assets 701,308 311,767 124.9 2006 RMB cents 2005 RMB cents 2005 RMB cents 10.236 Earnings per share - Basic (note 1) 19.54 18.84 3.7	Smart card vending machine	222,760	144,793	53.8
ODFs 10,236 7,400 38.3 Optical passive devices 46,968 42,714 10.0 Sales of telecommunication crediting cards 57,204 50,114 14.1 Sales of telecommunication crediting cards 328 - N/A Gross Profit 276,242 231,840 19.2 Profit attributable to shareholders 184,382 146,969 25.5 Shareholders' Equity 701,308 311,767 124.9 Total assets 2006 2005 Increase Earnings per share - Basic (note 1) 19.54 18.84 3.7		222,760	144,793	53.8
Optical passive devices 46,968 42,714 10.0 Sales of telecommunication crediting cards 57,204 50,114 14.1 Sales of telecommunication crediting cards 328 - N/A Gross Profit 57,204 557,883 20.2 Gross Profit 276,242 231,840 19.2 Profit attributable to shareholders 184,382 146,969 25.5 Shareholders' Equity 701,308 311,767 124.9 Total assets 758,237 378,396 100.4 Earnings per share - Basic (note 1) 19.54 18.84 3.7				
57,204 50,114 14.1 Sales of telecommunication crediting cards 328 - N/A 670,471 557,883 20.2 Gross Profit Profit attributable to shareholders 276,242 231,840 19.2 Shareholders' Equity Total assets 701,308 311,767 124.9 2006 RMB cents 2006 RMB cents 2005 Increase RMB cents % Earnings per share - Basic (note 1) 19.54 18.84 3.7				38.3
Sales of telecommunication crediting cards 328 - N/A 670,471 557,883 20.2 Gross Profit 276,242 231,840 19.2 Profit attributable to shareholders 276,242 231,840 19.2 Shareholders' Equity 146,969 25.5 Total assets 701,308 311,767 124.9 Earnings per share - Basic (note 1) 19.54 18.84 3.7	Optical passive devices	46,968	42,714	10.0
670,471 557,883 20.2 Gross Profit 276,242 231,840 19.2 Profit attributable to shareholders 184,382 146,969 25.5 Shareholders' Equity 701,308 311,767 124.9 Total assets 758,237 378,396 100.4 Earnings per share - Basic (note 1) 19.54 18.84 3.7		57,204	50,114	14.1
Gross Profit 276,242 231,840 19.2 Profit attributable to shareholders 184,382 146,969 25.5 Shareholders' Equity 701,308 311,767 124.9 Total assets 758,237 378,396 100.4 2006 2005 Increase <i>RMB cents RMB cents %</i> Earnings per share - Basic (note 1) 19.54 18.84 3.7	Sales of telecommunication crediting cards	328	-	N/A
Profit attributable to shareholders 184,382 146,969 25.5 Shareholders' Equity Total assets 701,308 311,767 124.9 2006 2005 100.4 2006 2005 Increase RMB cents 9 9 Earnings per share - Basic (note 1) 19.54 18.84 3.7		670,471	557,883	20.2
Profit attributable to shareholders 184,382 146,969 25.5 Shareholders' Equity Total assets 701,308 311,767 124.9 2006 758,237 378,396 100.4 2006 2005 Increase RMB cents 9 9 Earnings per share - Basic (note 1) 19.54 18.84 3.7	Gross Profit	276,242	231,840	19.2
Total assets 758,237 378,396 100.4 2006 2005 Increase % Earnings per share - Basic (note 1) 19.54 18.84 3.7	Profit attributable to shareholders		146,969	25.5
Total assets 758,237 378,396 100.4 2006 2005 Increase <i>RMB cents RMB cents</i> % Earnings per share - Basic (note 1) 19.54 18.84 3.7	Shareholders' Equity	701,308	311,767	124.9
RMB cents RMB cents % Earnings per share - Basic (note 1) 19.54 18.84 3.7		758,237	378,396	100.4
Earnings per share - Basic (<i>note 1</i>) 19.54 18.84 3.7		2006	2005	Increase
		RMB cents	RMB cents	%
	Earnings per share - Basic <i>(note 1)</i>	19.54	18.84	3.7
Net asset value per share (note 2) 67.60 39.97 69.1	Net asset value per share (<i>note 2</i>)	67.60	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

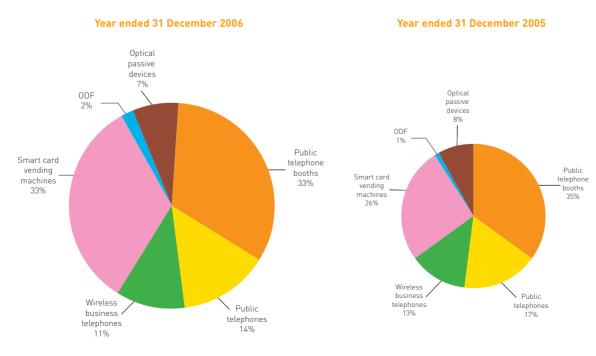
Year ended 31 December

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

BREAKDOWN OF TURNOVER



Total: RMB670.5 million

Total: RMB557.9 million