

## Management Commentary

### PROSPECTS

The formal admission of the PRC into the WTO, together the successful hosting of the 2008 Olympics by Beijing, will ensure continue economic growth for the PRC. In addition, our strategic shareholders, including China Telecom (Guangdong), China International Trust and Investment Corporation and China Mobile (Hong Kong) Group, each of them has great strength and experience in the telecommunication industry in the PRC, will provide the Company tremendous confidence in developing telecommunication and related business in the PRC.

Under the principle of prudence, management of the Company will continue to identify new investment projects to optimize benefits for shareholders.