

Financial Summary

(Expressed in Renminbi)

Results

	Proforma combined 1997 RMB'000	Proforma combined 1996 RMB'000	Proforma combined 1995 RMB'000	Proforma combined 1994 RMB'000
Turnover				
Usage fees	8,718,056	5,527,875	3,243,101	1,655,259
Monthly fees	2,692,166	1,658,188	939,478	598,574
Connection fees	3,173,529	2,673,425	2,981,214	2,014,612
Others	904,028	507,753	434,332	321,903
	<u>15,487,779</u>	<u>10,367,241</u>	<u>7,598,125</u>	<u>4,590,348</u>
Operating expenses				
Leased lines	3,134,260	2,213,563	1,243,662	657,493
Interconnection	1,214,229	196,361	26,267	9,749
Depreciation	2,680,538	1,424,306	788,956	355,233
Personnel	755,523	416,459	213,942	137,483
Selling, general and administrative and others	2,289,042	1,154,115	583,358	454,795
	<u>10,073,592</u>	<u>5,404,804</u>	<u>2,856,185</u>	<u>1,614,753</u>
Operating profit	5,414,187	4,962,437	4,741,940	2,975,595
Other income	84,954	48,976	176,114	41,751
Non-operating income	629,519	96,490	125,259	67,510
Interest expense	<u>(175,335)</u>	<u>(167,144)</u>	<u>(88,966)</u>	<u>(63,740)</u>
Profit before tax and minority interests	5,953,325	4,940,759	4,954,347	3,021,116
Income tax	<u>(991,019)</u>	<u>(427,543)</u>	<u>(285,701)</u>	<u>(201,506)</u>
Profit before minority interests	4,962,306	4,513,216	4,668,646	2,819,610
Minority interests	<u>(6,925)</u>	<u>(4,058)</u>	<u>—</u>	<u>—</u>
Net profit	<u>4,955,381</u>	<u>4,509,158</u>	<u>4,668,646</u>	<u>2,819,610</u>

Financial Summary (cont'd)

(Expressed in Renminbi)

Assets and liabilities

	1997	Proforma combined 1996	Proforma combined 1995
	RMB'000	RMB'000	RMB'000
Fixed assets	18,634,237	11,536,029	7,345,751
Construction in progress	3,557,665	1,001,499	820,899
Interest in associated companies	30,430	—	—
Amounts due from related parties	72,546	570,097	790,450
Deferred tax assets	24,140	22,131	108
Net current assets	<u>36,468,123</u>	<u>1,493,752</u>	<u>2,087,450</u>
Total assets less current liabilities	58,787,141	14,623,508	11,044,658
Long term bank and other loans	(2,870,326)	(1,946,444)	(2,003,970)
Deferred revenue	<u>(1,352,863)</u>	<u>(198,607)</u>	<u>—</u>
	<u>54,563,952</u>	<u>12,478,457</u>	<u>9,040,688</u>

Note: The above tables summarise the Group's proforma combined results for each of the four years ended 31 December 1994, 1995, 1996 and 1997 and the audited statements of the Group's assets and liabilities as at 31 December 1997, together with the proforma combined statements of the Group's assets and liabilities as at 31 December 1995 and 1996. The proforma combined statements of the Group's results and assets and liabilities have been prepared as if the current corporate structure of the Group had been in existence since 1 January 1994 or since the respective dates of incorporation where these are shorter periods.