

# Financial Summary

(Expressed in Renminbi)

## Results

	1999	1998	Proforma combined 1997	Proforma combined 1996	Proforma combined 1995
	RMB million	RMB million	RMB million	RMB million	RMB million
<b>Operating revenue</b>					
Usage fees	25,812	16,346	8,718	5,528	3,243
Monthly fees	4,981	4,347	2,692	1,658	940
Connection fees	4,319	3,323	3,174	2,673	2,981
Other operating revenue	3,511	2,329	904	508	434
	<u>38,623</u>	<u>26,345</u>	<u>15,488</u>	<u>10,367</u>	<u>7,598</u>
<b>Operating expenses</b>					
Leased lines	3,723	3,917	3,134	2,214	1,244
Interconnection	6,453	4,752	1,214	196	26
Depreciation	7,411	4,598	2,681	1,424	789
Personnel	2,256	1,595	756	416	214
Other operating expenses	5,140	3,548	2,289	1,154	583
	<u>24,983</u>	<u>18,410</u>	<u>10,074</u>	<u>5,404</u>	<u>2,856</u>
<b>Profit from operations</b>	13,640	7,935	5,414	4,963	4,742
<b>Write-down and write-off of TACS network equipment</b>	(8,242)	(282)	—	—	—
<b>Other income</b>	552	336	85	48	176
<b>Non-operating income/(expenses)</b>	70	(51)	(27)	23	38
<b>Interest income</b>	767	1,609	656	73	87
<b>Finance costs</b>	(343)	(160)	(175)	(167)	(89)
<b>Profit from ordinary activities before taxation</b>	6,444	9,387	5,953	4,940	4,954
<b>Income tax</b>	(1,647)	(2,486)	(991)	(427)	(285)
<b>Profit from ordinary activities after taxation</b>	4,797	6,901	4,962	4,513	4,669
<b>Minority interests</b>	—	(1)	(7)	(4)	—
<b>Profit attributable to shareholders</b>	<u>4,797</u>	<u>6,900</u>	<u>4,955</u>	<u>4,509</u>	<u>4,669</u>

# Financial Summary (Cont'd)

(Expressed in Renminbi)

## Assets and liabilities

	1999	1998	1997	Proforma combined 1996	Proforma combined 1995
	RMB million	RMB million	RMB million	RMB million	RMB million
Fixed assets	42,699	33,986	18,634	11,536	7,346
Construction in progress	6,735	7,339	3,558	1,001	821
Interest in associates	46	30	30	—	—
Amounts due from related parties	—	—	73	570	790
Deferred tax assets	2,306	152	24	22	—
Deferred expenses	51	—	—	—	—
Net current assets	<u>14,031</u>	<u>7,083</u>	<u>36,468</u>	<u>1,494</u>	<u>2,088</u>
<b>Total assets less current liabilities</b>	<b>65,868</b>	<b>48,590</b>	<b>58,787</b>	<b>14,623</b>	<b>11,045</b>
Long term bank and other loans	(2,225)	(991)	(2,870)	(1,946)	(2,004)
Obligations under finance lease, excluding current instalments	(107)	—	—	—	—
Deferred revenue	(1,492)	(1,757)	(1,353)	(199)	—
Fixed rates notes	(4,952)	—	—	—	—
Minority interests	—	(15)	(14)	(7)	—
<b>Net assets</b>	<b><u>57,092</u></b>	<b><u>45,827</u></b>	<b><u>54,550</u></b>	<b><u>12,471</u></b>	<b><u>9,041</u></b>

Note: The above tables summarise the Group's proforma combined results for each of the three years ended 31 December 1995, 1996 and 1997, the results of the Group for the year ended 31 December 1998 and 1999, the Group's assets and liabilities as at 31 December 1997, 1998 and 1999, together with the proforma combined statements of the Group's assets and liabilities as at 31 December 1995 and 1996.

The Group's proforma combined results for each of the three years ended 31 December 1995, 1996 and 1997 have been prepared on a combined basis as if Guangdong Mobile and Zhejiang Mobile were subsidiaries of the Company since 1 January 1995 or since the respective dates of incorporation where these are shorter periods. The Group's results for the year ended 31 December 1998 include the results of the Company, Guangdong Mobile and Zhejiang Mobile for the year ended 31 December 1998 and the post-acquisition results of Jiangsu Mobile for the period from 4 June 1998 to 31 December 1998. The Group's results for the year ended 31 December 1999 include the results of the Company, Guangdong Mobile, Zhejiang Mobile, and Jiangsu Mobile for the year ended 31 December 1999 and the post-acquisition results of Fujian Mobile, Henan Mobile and Hainan Mobile for the period from 12 November 1999 to 31 December 1999.

The Group's proforma combined assets and liabilities as at 31 December 1995 and 1996 are combinations of the statements of assets and liabilities of Guangdong Mobile and Zhejiang Mobile as at 31 December 1995 and 1996.