

Financial Summary

(Expressed in Renminbi)

Results

| | 2002 RMB million | 2001 RMB million | 2000 RMB million | 1999 RMB million | 1998 RMB million |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Operating revenue | | | | | |
| Usage fees | 93,272 | 73,458 | 46,287 | 25,812 | 16,346 |
| Monthly fees | 16,901 | 14,085 | 9,623 | 4,981 | 4,347 |
| Connection fees | — | 711 | 2,213 | 4,319 | 3,323 |
| Other operating revenue | 18,388 | 12,077 | 6,861 | 3,511 | 2,329 |
| | 128,561 | 100,331 | 64,984 | 38,623 | 26,345 |
| Operating expenses | | | | | |
| Leased lines | 5,287 | 5,005 | 5,501 | 3,723 | 3,917 |
| Interconnection | 12,975 | 13,055 | 8,329 | 6,453 | 4,752 |
| Depreciation | 26,827 | 17,664 | 9,759 | 7,411 | 4,598 |
| Personnel | 6,757 | 5,325 | 3,991 | 2,256 | 1,595 |
| Other operating expenses | 27,919 | 18,270 | 10,578 | 5,140 | 3,548 |
| | 79,765 | 59,319 | 38,158 | 24,983 | 18,410 |
| Profit from operations | 48,796 | 41,012 | 26,826 | 13,640 | 7,935 |
| Write-down and write-off of analog network equipment | — | — | (1,525) | (8,242) | (282) |
| Amortisation of goodwill | (936) | — | — | — | — |
| Other net income | 1,686 | 1,594 | 915 | 552 | 336 |
| Non-operating net income/ (expenses) | 571 | (6) | (5) | 70 | (51) |
| Interest income | 713 | 857 | 1,006 | 767 | 1,609 |
| Finance costs | (1,852) | (1,740) | (824) | (343) | (160) |
| Profit from ordinary activities before taxation | 48,978 | 41,717 | 26,393 | 6,444 | 9,387 |
| Taxation | (16,234) | (13,703) | (8,366) | (1,647) | (2,486) |
| Profit from ordinary activities after taxation | 32,744 | 28,014 | 18,027 | 4,797 | 6,901 |
| Minority interests | (2) | 1 | — | — | (1) |
| Profit attributable to shareholders | 32,742 | 28,015 | 18,027 | 4,797 | 6,900 |



Financial Summary

(Expressed in Renminbi)

Assets and liabilities

| | 2002 RMB million | 2001 RMB million | 2000 RMB million | 1999 RMB million | 1998 RMB million |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fixed assets | 165,409 | 105,208 | 87,465 | 42,699 | 33,986 |
| Construction in progress | 23,013 | 19,981 | 13,527 | 6,735 | 7,339 |
| Goodwill | 36,522 | — | — | — | — |
| Interest in associates | 16 | 16 | 46 | 46 | 30 |
| Investment securities | 77 | 77 | 61 | — | — |
| Deferred tax (excluding current portion) | 455 | 114 | 2,158 | 2,306 | 152 |
| Deferred expenses | 190 | 180 | 164 | 51 | — |
| Net current (liabilities)/assets | (896) | 9,458 | 5,847 | 14,031 | 7,083 |
| Total assets less current liabilities | 224,786 | 135,034 | 109,268 | 65,868 | 48,590 |
| Long term bank loans and other interest-bearing borrowings | (36,348) | (21,591) | (23,134) | (7,177) | (991) |
| Obligations under finance leases, excluding current instalments | — | (812) | (1,235) | (107) | — |
| Amount due to immediate holding company | (15,176) | — | — | — | — |
| Deferred revenue (excluding current portion) | (869) | (820) | (1,122) | (1,492) | (1,757) |
| Minority interests | (191) | (32) | (17) | — | (15) |
| Net assets | 172,202 | 111,779 | 83,760 | 57,092 | 45,827 |

Notes:

- (1) The above tables summarise the results of the Group for the years ended 31 December 1998, 1999, 2000, 2001 and 2002, together with the Group's assets and liabilities as at 31 December 1998, 1999, 2000, 2001 and 2002.

The Group's results for the years ended 31 December 1998, 1999, 2000, 2001 and 2002 include the results of the Company and its subsidiaries for the period from 1 January or the date of incorporation or acquisition, if later, to 31 December of the year.

- (2) Despite a change in accounting policy for goodwill, figures for the years from 1998 to 2000 have not been adjusted as the Group has taken advantage of the transitional provisions set out in paragraph 88 of SSAP 30 with the effect that the new accounting policy has been adopted prospectively from 1 January 2001 onwards.

